

Austria	12 S.	Lebanon	41 S.
Belgium	20 S.	Luxembourg	20 S.
Denmark	250 D.R.	Morocco	250 D.R.
Eire	18 P.	Netherlands	150 F.
Finland	250 F.M.	Norway	80 K.
France	250 P.	Portugal	2 S.M.
Germany	150 D.M.	Sweden	12 S.
Greece	15 P.	Switzerland	170 S.F.
India	10 R.	Turkey	7.25
Iran	250 L.	U.S. Military (Eur)	50 D.
Italy	250 L.	Yugoslavia	12 D.

WEATHER—Paris: Tuesday, overcast, heavy rain 10-14 (50-43); Wednesday, possible showers. LONDON: Tuesday, Temp. 11-14 (50-55); Wednesday, some rain. CHICAGO: Tuesday, overcast, 40-45; Wednesday, clear, 30-40 (15-45). NEW YORK: Tuesday, clear, 30-40 (15-45); Wednesday, clear, 30-40 (15-45).

ADONAL WEATHER—COMICS PAGE

Li Hsien-nien

China Premier Named in Posters in Shanghai

By Fox Butterfield

HONG KONG, Nov. 1 (AP)—Posters put up in Shanghai today said that Li Hsien-nien, a veteran party politician, has been named China's premier, diplomats agreed.

Posters also asserted that Hsien-nien, the elderly demagogue, has been named chairman of the National People's Congress, China's supreme body.

It was not clear whether the posters were official or unofficial. They were seen in a public square in Shanghai.

Li Hsien-nien, 74, was born in a poor family, rose through the ranks of the party and army, and served as premier of the People's Republic of China from 1954 to 1959.

He was replaced by Zhou Enlai, who served as premier until 1976.

Li Hsien-nien was chairman of the National People's Congress from 1954 to 1959.

He was also chairman of the National Committee of the Chinese People's Political Consultative Conference from 1954 to 1959.

Li Hsien-nien was a member of the Politburo of the Chinese Communist Party from 1954 to 1959.

He was also a member of the Central Military Commission from 1954 to 1959.

Li Hsien-nien was a member of the National Committee of the Chinese People's Political Consultative Conference from 1954 to 1959.

He was also a member of the National Committee of the Chinese People's Political Consultative Conference from 1954 to 1959.

ago, Mr. Li has seemed to assume the usual duties of the premier, heading a visit by Prime Minister Michael Somare of Papua-New Guinea and meeting new ambassadors and other foreign visitors.

Mr. Li is the second-ranking member of the party after Mr. Hua, and the only surviving vice-chairman of the party. He is believed to have been seriously ill earlier this year. If the wall posters are correct, it would mean a promotion to a nominally higher but less demanding post from his current job as minister of defense.

There have been several indications in the last three weeks that Mr. Li, the third-ranking member of the party hierarchy and the official in general charge of China's economy, may be acting as premier. China's official Premier is Mr. Hua.

At a mass rally in Peking last week to acclaim Mr. Hua's promotion to chairman, Mr. Li appeared atop the Tienanmen Gate flanked by Mr. Li and Mr. Ye. The three men are believed to hold similar pragmatic views about China's economy and the need to govern the country in a more orderly, conventional manner. Mr. Hua was favored by Mao Tse-tung.

Other wall posters appearing in Shanghai and Canton in the last three weeks said that Mr. Li was chairman three weeks ago.



A volley of shots is fired over coffin of Maire Drumm in Belfast yesterday as thousands of mourners attended the funeral procession with IRA guards. Story on Page 4.

Rhodesia Negotiators Meet Today To Discuss an Independence Date

By John F. Burns

GENEVA, Nov. 1 (AP)—Prime Minister Ian Smith and African nationalist leaders at the Geneva conference on Rhodesia will meet tomorrow to discuss the issue of fixing a date for the independence of the territory under majority rule. Ivor Richard, chairman of the conference, announced tonight.

He made the announcement as sources in the nationalist camp disclosed that two African leaders, Joshua Nkomo and Robert Mugabe, had proposed next September as the date for formal independence from Britain. The two men, leaders of the "patriotic front," formed the talks, met with Mr. Richard this morning.

The two allies' proposal of independence 10 months from now seemed to surprise Mr. Smith. "I haven't given that one any thought. That's a new one to me," the Rhodesian leader told newsmen outside the Palais des Nations, where he held a 90-minute meeting this evening with Mr. Richard.

Mr. Smith, his manner and tone suggesting growing irritation at the absence of any substantive progress in the talks, confirmed that he will leave the conference and fly home to Rhodesia, probably on Wednesday. Until he returns, his delegation will be headed by Foreign Minister P.K. van der Byl.

Exploratory Talks

The issue of an independence date will be taken up at an informal meeting of the delegation heads tomorrow afternoon. It will be the first time that the main participants have met together since the conference recessed on Friday, after two sessions to permit exploratory talks between Mr. Richard and each of the parties.

Although Mr. Richard, who is Britain's ambassador to the UN, took care to say that he was not sure that tomorrow's meeting would proceed to the point of considering a specific independence date, or even a formula for reaching agreement on a date, it was apparent that he had seized on the issue as being the only one on which there is

any prospect of agreement at this stage.

In the 11 days since Mr. Richard began his discussions with the delegates, there has been no sign of compromise on any of the issues that divide the Smith government and the nationalists. In recent days, both sides have begun to grumble about the slow pace.

Mr. Richard, acknowledging that there are serious difficulties

in the path of an agreement, has attempted to avert a deadlock by deferring consideration of key issues, such as the powers that whites would hold during the period leading to majority rule.

Instead, he has probed the positions of the groups for issues that present some hope of early accommodation.

Apparently, an independence date is the most promising of (Continued on Page 2, Col. 4)

Heavy Fighting Is Reported

Mozambique Says Rhodesia Invades With Major Force

GENEVA, Nov. 1 (Reuters)—Rhodesian forces are engaged in heavy fighting inside Mozambique, the Mozambican news agency reported from Maputo today.

It said that the "invaders" struck in the border provinces of Gaza and Tete with aircraft, tanks, artillery, infantry and cavalry in the biggest attack yet on Mozambique.

The agency said that the raids began early yesterday and were being repulsed by Mozambican forces. But it added: "Fierce fighting is still going on."

In Salisbury, Rhodesia, it had been disclosed that government troops were crossing into Mozambique in "hot pursuit" and that guerrillas were fleeing there in the last month.

Official figures showed that 84 civilians, all but 10 of them Africans, were killed last month. Tonight, Rhodesia rejected reports that its forces had invaded the country. A Rhodesian government spokesman said, "The reports emanating from Maputo and elsewhere are highly imaginative." He added:

To Press War

In Geneva, nationalist leader Robert Mugabe today served notice that the guerrillas would press on with their escalating war against the Rhodesian government.

A government spokesman in

Salisbury linked the increase in guerrilla activity to the Geneva conference on Rhodesia. But the commander of government forces in the front-line town of Umtali said that an upsurge had been expected to accompany the start of the rains, which provide better cover for the guerrillas.

According to official figures, government forces killed 144 guerrillas last month for the loss of 13 soldiers—eight white and five black.

But the deaths of the 10 white civilians in the same month are likely to have the greatest impact on Rhodesia's minority white community.

Troop Concentration

Government forces reported that more than 100 heavily armed Mozambican troops were concentrated a few hundred yards across the border at Umtali. They said last night that a mortar and rocket attack might be imminent.

But the border area around Umtali was reported very quiet today, although there was a heavy rocket attack on a tea estate to the north last night. A packing shed was damaged, without casualties.

A military spokesman said that the increased military presence across the border might be a decoy or only saber rattling. "We usually find that if you have a saber rattling exercise on the border, it is connected with a terrorist incursion somewhere else," he said.



Lt. Gen. Walter Krupinski.

other parties considered neo-Nazi.

Rudel was a good and successful soldier," Mr. Leber said. "But after 1945 he made remarks that showed he cannot be considered an example for any member of the present armed forces."

Li Hsien-nien

Yeh Chien-ying

Arab Peace-Keeping Troops Arrive in Lebanon Soon

BEIRUT, Nov. 1 (AP)—The special force of Arab League troops, scheduled to arrive in Lebanon today, are expected to arrive within 48 hours.

At a news conference at the forces will be equipped with armor and fire-arms, enough to enforce the peace plan in Beirut, said a spokesman.

Choly, who had held talks in Cairo, said he had held talks with the Arab League and the UN, and had agreed to send 2,000 troops to Lebanon.

The UN, which had held talks in Cairo, said he had held talks with the Arab League and the UN, and had agreed to send 2,000 troops to Lebanon.

United Arab Emirates and North and South Yemen.

He did not disclose the specific contribution by each state, but Syria is expected to provide what its information minister, Ahmed Iskandar, had called the "backbone" of the force.

Advance Party

A leading newspaper, the daily An Nahar, said that an advance party of the Arab forces was expected to arrive in Damascus by air tonight on its way to Lebanon.

The paper said that the troops were being rushed in reply to an urgent request made by Lebanese President Elias Sarkis yesterday to Arab League Secretary-General Mahmoud Riad.

The failure by Gen. Mohammed Hassan Chouhri, the Egyptian commander of the 1,500 Arab force sent here four months ago, to bring representatives of the rival factions to meet yesterday has increased tension and led to more serious violations of the cease-fire that went into effect 10 days ago.

Fighting last night and this morning on the rising tension in the city of Christian and Moslem districts brought light tanks to their side of the line.

Rival gunmen used mortar and machine-gun fire while Christian forces brought light tanks to their side of the line.

Seeking Peace

At least seven bodies have been recovered in this area in the last 24 hours, according to informed press sources.

The leftist-controlled Radio Beirut spoke of rising tension along the border area with Israel in southern Lebanon. It said that the combined leftist and Palestinian forces in the region have been placed in a state of alert to counter what the radio described as Israeli-supported attacks by rightist Christian forces.

The leftist press said that the Israelis have helped the rightists move more troops and weapons into the Christian border village of el-Qana.

Voices of Lebanon, the radio (Continued on Page 2, Col. 5)

U.K. Parley Lose Curbs on Press at Parley

OSLO, Nov. 1 (Reuters)—United States, Britain and today issued strong statements in support of press freedom.

The following day, the Soviet Union, which had been in favor of a Soviet declaration in favor of press freedom, issued a statement in support of press freedom.

The Soviet Union, which had been in favor of a Soviet declaration in favor of press freedom, issued a statement in support of press freedom.

At least seven bodies have been recovered in this area in the last 24 hours, according to informed press sources.

The leftist-controlled Radio Beirut spoke of rising tension along the border area with Israel in southern Lebanon. It said that the combined leftist and Palestinian forces in the region have been placed in a state of alert to counter what the radio described as Israeli-supported attacks by rightist Christian forces.

The leftist press said that the Israelis have helped the rightists move more troops and weapons into the Christian border village of el-Qana.

Voices of Lebanon, the radio (Continued on Page 2, Col. 5)

Backed World War II Ace

Bonn Air Force's No. 2, 3 Men Fired for Defense of Nazi Pilot

BONN, Nov. 1 (UPI)—Defense Minister Georg Leber today fired the two operational heads of the West German Air Force for defending the Nazis' most decorated pilot, whose dive-bombers devastated Rotterdam and Warsaw and who, since the war, has been associated with neo-Nazi parties.

Mr. Leber told a news conference it no longer is possible for an air force serving a democratic state to keep Lt. Gen. Walter Krupinski and Maj. Gen. Karl Eickelmann on duty.

They are the two highest-ranking officers in the air force after its commander, Lt. Gen. Gerhard Lubow, who has the title of general-inspector.

The two generals defended the appearance of Col. Hans Ulrich Rudel, Hitler's favorite pilot, at an "old-timers' traditional rally" at an air force base. He spoke to officers and gave autographs.

They said Mr. Rudel had as much right to speak up as West German members of parliament who had been Communists and

spent World War II in the Soviet Union.

In this connection they mentioned Herbert Wehner, the parliamentary floor leader of the ruling Social Democratic party. He used to be a Communist.

"The Bundeswehr (armed forces) is part of the Atlantic alliance," Mr. Leber told the news conference.

"The esteem it has in the alliance and outside it for the reputation of the Federal Republic of Germany. The good reputation that the Bundeswehr enjoys is necessary to our country. It must therefore be watched over vigilantly."

Mr. Leber said he had removed the two generals from their posts and would ask President Walter Scheel to retire them.

Mr. Rudel was the most decorated serviceman in the German armed forces in World War II. He commanded the Stuka dive-bombers.

After the war he was active in the Socialist Reich party, which was banned as neo-Nazi, and in

The Gallup Poll Now Favors Ford

NEW YORK, Nov. 1 (AP)—The final Gallup poll, released last night and based on interviews with voters late last week, showed President Ford with 47 per cent, Jimmy Carter with 46, others with 3 per cent, and 4 per cent still undecided.

The 1-per-cent difference, however, is smaller than the polls' margin of error and has little statistical significance. The Gallup results show that the race is about even, although the 1-per-cent lead for Mr. Ford marks the first time since late March that he has not trailed Mr. Carter.

Pollster Louis Harris said: "What happens Monday night, when each candidate has blocked out a half-hour of prime time on each network, will probably make the difference."

His latest poll, conducted Friday through yesterday, showed Mr. Carter still holding a 48-45 lead over Mr. Ford. But Mr. Harris said the result "clearly indicates a contest too close to call and an election outcome that could go either way. In fact, either man might win the popular vote and lose the Electoral College vote."

Ford, Carter Conclude Race Too Close to Call

NEW YORK, Nov. 1 (UPI)—President Ford and Jimmy Carter were winding up their campaigns tonight barely 100 miles apart in the President's home state of Michigan. And if the poll-takers and pundits are right, the candidates will reach Election Day tomorrow nearly in a dead heat.

Too close to call is the forecast coming from most quarters in the hours before Americans go to the polls in the presidential election.

In his final day of campaigning for the office he now holds through appointment, the Republican President was in Ohio and planned to go on to Michigan for a closing rally in his home base, Grand Rapids.

Special Edition Tomorrow For Elections

The normal distribution of the International Herald Tribune will be augmented Wednesday in more than 20 cities in Western Europe by a special U.S. elections edition. This edition, which will carry the words "Election Edition" in the upper left-hand corner of Page 1, will contain more up-to-date results of the elections than the regular editions. It will be available a few hours after regular editions of the IHT are put on sale. This special service will be available in Paris, Nice, Cannes, Monaco, London, Brussels, Mons, Antwerp, Luxembourg, Amsterdam, Rotterdam, The Hague, Frankfurt, Berlin, Hamburg, Cologne, Munich, Stuttgart, Mannheim, Madrid, Barcelona and Malaga.

Pennsylvania, with 27 electoral votes; Illinois, with 26, and Texas, also with 26—unless Mr. Carter picked up a small state that he is not now expected to take.

So close is the presidential contest, The Times said, that it could conceivably be decided by the independent candidacy of former Democratic Sen. Eugene McCarthy of Minnesota, who is on the ballot in six of the eight even states. Late polls in Iowa, Illinois and several other states suggest he could make the difference even if he pulled only 3 or 4 per cent of the total votes.

President Ford moved through the last day of the campaign repeating his standard themes of "lower taxes, a balanced budget, lower federal spending, beating inflation and peace and liberty for the U.S.A."

At an airport rally at Akron, Ohio, he asked a crowd estimat-

ed at 11,000 "to confirm me not only with your prayers but also with your ballots"—a line which has become the closing refrain of his drive.

'Victory Party'

He was winding up a nonstop stretch drive that has kept him on the road for the last 11 days. He will fly to Grand Rapids here today and will vote there early tomorrow, then return to Washington for what White House Press Secretary Ron Nessen describes as his "victory party."

In a statement taped for broadcast in Ohio, Mr. Ford talked of "my vision of America—a vision of limited government and unlimited opportunity."

"The government can't do everything," he said. "If it tries to do too much, it ends up doing nothing well. If it assumes too much power and control, we will have sown the seeds of our own destruction as a free people."

Mr. Ford also said, "America has had its heart broken too many times when grand promises went unfulfilled. That is why it is so important that those who would lead this country be honest enough to promise only what they can deliver to admit that some problems can't be solved by waving a magic wand or creating still another government program or even by changing administrations."

Mr. Carter began his final swing through California last night with an outdoor rally telecast to four Western states.

"Every vote counts," Mr. Carter declared to the thousands of cheering persons crammed into San Francisco's Ghirardelli Square and those watching on television.

"I don't want to lose," he told the rally. "I don't intend to lose."

He reminded his audience, as he has done several times in the last week, of the close presidential elections in 1960 and 1968. With a few thousand votes difference in 1960, he said, "we could have had Richard Nixon eight years earlier."

Mr. Carter was introduced by (Continued on Page 2, Col. 7)

Reassuring European Allies

U.S. to Give New F-16 Fighter Capability as Nuclear Carrier

By John W. Finney

WASHINGTON, Nov. 1 (AP)—The Defense Department has decided to give the new F-16 fighter a nuclear capability, partly to reassure the European allies that the United States will have a continuing ability to wage a tactical nuclear war in Europe.

Officials of both the Defense and State Departments acknowledged that there was considerable concern among the European allies about the future nuclear war-fighting capability of the United States as it shifts to a new generation of fighters to replace the F-4 fighter-bomber.

For nearly 15 years the F-4 has been the workhorse of the Air Force as both a fighter and a bomber, and in Europe it has been the principal vehicle for tactical nuclear weapons.

The F-4 is being replaced by more specialized planes that will not have its nuclear weapons capability, such as the F-15, which is designed as an air-superiority fighter; the F-16, which started off as a highly maneuverable, relatively low-cost dogfighter; and the A-10, which is designed for close support of ground troops.

The Defense Department announced last week that the first wing of 72 F-15 fighters would go to Europe next spring, displacing F-4 fighter-bombers at the Bitburg air base in the northwestern part of West Germany. In the past Bitburg has been one of the bases where the F-4s have been on "quick reaction alert," ready to deliver atomic bombs on a few minutes' notice.

It was no coincidence, officials said, that at the same time the Defense Department announced

it was sending a second wing of F-111s—a tactical bomber more versatile than the F-4 for delivering atomic weapons—to Britain. The purpose, officials explained, was to reassure the European allies—as well as give a signal to the Soviet Union—that even though the F-4s were being replaced, the United States was not reducing its ability to deliver atomic weapons into Eastern Europe and the western part of the Soviet Union.

Over the next five or so years, however, the F-4 will be phased from active service, leaving a potential gap in the inventory of aircraft for delivering nuclear weapons.

To fill the gap, officials said, the Defense Department has decided to make some changes in (Continued on Page 2, Col. 8)

Wyszynski to Stay As Polish Primate

VATICAN CITY, Nov. 1 (UPI)—Pope Paul decided that Stefan Cardinal Wyszynski will stay on as primate of Poland's 30 million Catholics despite his advancing age, the cardinal's office said today.

The Pope's decision followed reports that both the Vatican and Poland's Communist government wanted Cardinal Wyszynski to remain in his post to avoid the lengthy process of agreeing on a successor. The cardinal, who has led Poland's Catholics for the last 23 years, submitted his resignation to the Pope Aug. 3 in accordance with Vatican recommendations that bishops offer to retire when they reach the age of 75.



Slow March to Sacrifice

Italians Feel No 'Sting' in Austerity

By Alvin Shuster

ROME, Nov. 1 (UPI)—For weeks, the government of Christian Democrats has been preaching the need for sacrifice, for wage controls, for higher prices, for less privilege and tax evasion and for a host of other measures. But despite the exhortations, there has been little sacrifice.

What austerity? asked Dario Armandini, the owner of a store near the Pantheon in central Rome. "No one is paying attention. Just look at all the cars going by. Italians continue to spend, to eat imported steaks, just like before. They refuse to feel the sting."

The "sting" is what the austerity effort is generally called in Italy, and so far it is about as painful as that of a butterfly. Some are beginning to worry, however, because many prices are up or going up and foreign credi-

tors, such as the International Monetary Fund, are demanding more steps, including meaningful cuts on wage increases.

Hardly a day goes by without a brief strike somewhere. Some employees are receiving only part of their pay this month because their employers have run out of money.

There are means about the recent increase of 25 per cent in the price of gasoline, but there are few signs that the Italians are driving less. Electricity, telephone, postal and food costs are rising, to be followed later by higher charges for train travel, medicine and buses. In all, the government hopes to raise about \$5 billion a year from the new measures.

The Italians generally, however, are more worried about what is likely to come, because it does look like a real crisis this time. For the present, they are staying

ahead of inflation, now running just under 20 per cent, because most of their salaries are going up at a faster rate.

Most experts, including those at the IMF, which is considering a loan request for a \$1-billion loan, are convinced that Italy will have to find some significant method of limiting wage increases. They are rising faster here than in any other country in Western Europe, providing one of the most difficult problems for the government of Christian Democrats, led by Premier Giulio Andreotti.

Cautious Move

He has moved cautiously to limit the rise by proposing cuts on cost-of-living increases for all those earning more than \$7,200 a year, a minority of wage earners here.

At first the unions talked of cooperating in limiting higher wages but backed away on the need for sacrifice, but they want to see the burdens spread evenly.

As it is, only salaried wage earners are paying their fair share of taxes, because of withholding. The self-employed, including doctors, lawyers and store owners, usually get away with paying very little.

Persuading people to give up anything is proving a problem. When the government suggested the other day, for example, that perhaps those who work for the Ministry of Transport should pay their way on the trains, the employees demonstrated by falling in front of the tracks and paralyzing all traffic into Rome station.

Other privileges for civil servants have also been a topic of conversation. Electricity workers get cheaper rates, telephone workers free installation and cut-rate calls, and bank employees higher interest on their deposits and lower interest on their loans.

At the Ministry of Finance, some employees spend their mornings coping with tax evaders and then go to work for extra income in the afternoon by helping the tax evaders fight their cases.

It has all resulted in a rather slow march toward sacrifice, with much conferring between the Christian Democrats and the Communists, who in turn are trying to deal with the trade unions.

At some point, Italy may well have the much-proclaimed austerity program, but not yet.

Hua Sends Pledge

HONG KONG, Nov. 1 (Reuters)—Mr. Hua has pledged to strengthen his country's ties with Albania in a message to Mr. Hoxha, the Chinese news agency reported today.

Observers here have reported an apparent strain in relations between the two countries since the death of Mao.

Hoxha Hints at De-Emphasis Of Chinese Aid for Albanians

VIENNA, Nov. 1 (AP)—Albania's strongman Enver Hoxha, 67, today played down the importance of "internationalist solidarity and aid" from friendly countries, indicating a de-emphasis of ideological support and material assistance from China.

The tiny Adriatic country has until now defied Soviet supremacy over Communist parties in Europe and Soviet political rapprochement with the West, and has been regarded as Peking's only ally in Europe.

In a keynote speech opening the seventh congress of the Albanian Communist party, Mr. Hoxha, who is first secretary of the party's Central Committee, made it clear that Albania would not accept any economic aid from Western and Soviet bloc countries. Excerpts from the speech were carried by the official Albanian news agency ATA.

Before the party congress, Western observers had speculated that the close ties between the parties and governments in Vienna and Peking had suffered a setback in the wake of a power struggle won by the moderates who rallied around the new Chinese party Chairman, Hua Guofeng.

It was believed that Mr. Hoxha and his lieutenants, including Premier Mehmet Shehu,

four leftists were arrested Oct. 6 and had been charged with attempting to overthrow the government. Whether the report about the new appointments for Mr. Hoxha and Mr. Yeh are correct or not, China's new authorities seem to be taking a much more conservative view of leadership than Mao did.

In an important dispatch yesterday, the party paper reprinted an editorial from the army paper, which asserted that China should be led by the most senior leaders. In the Cultural Revolution, Mao had introduced a system of more rapid promotion for younger cadres, called the "three-in-one combination" of old, middle-aged and young party workers.

But the army paper said, "Political parties, as a general rule, are directed by more or less stable groups composed of the most authoritative, influential and experienced members. The army paper made no mention of the 'three-in-one combination' program.

Mao's more rapid promotion scheme for younger officials has long been a divisive issue. Many

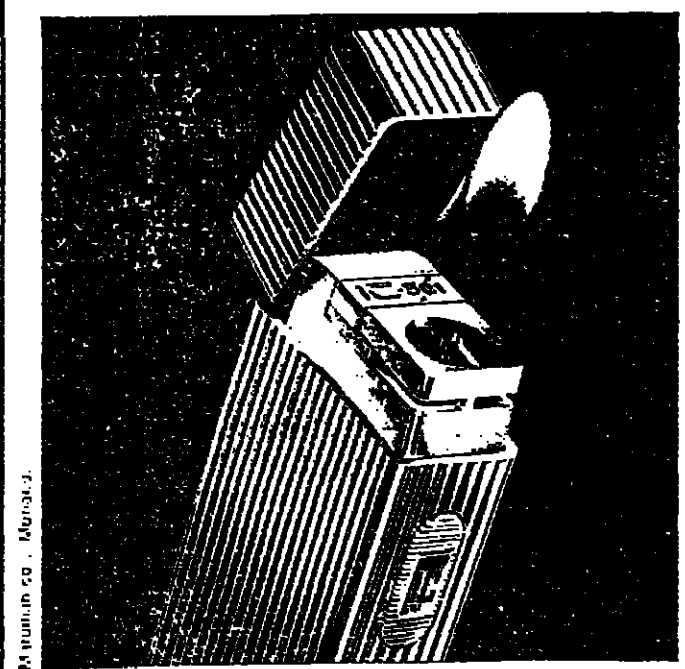
Spanish Energy Cuts
MADRID, Nov. 1 (Reuters)—Electricity rates went up and speed limits came down in Spain today to conserve energy.

Death Toll Put at 133 In New Guinea Quake

JAKARTA, Nov. 1 (Reuters)—The death toll from a major earthquake that struck western New Guinea Friday rose today to 133, a provincial government official said.

A severe earthquake today shook New Britain Island. A spokesman for the geophysical observatory in the Papua-New Guinea capital of Port Moresby said it was similar in force to the one Friday in western New Guinea.

When you want to give more than just a light
Maruman IC Multispark
The world's first integrated circuit lighter



40,000 sparks from one energy cell

Maruman

4 Latvian Strikers Sent to Camps

MOSCOW, Nov. 1 (AP)—Four Latvian dock workers have been sent to labor camps following a strike at the port of Riga to protest meat shortages, according to dissidents here. Two strikers were reported to have received sentences of three years, the others terms of two years.

The four men were arrested in May for their role in what has become known as the "fish-day strike." They were tried in August by the Latvian Supreme Court on charges of "slandering the Soviet state and the socialist system," the dissidents said.

At least one "fish day" each week has been introduced in Soviet restaurants, apparently because of meat shortages from last year's crop shortages. No meat is served on those days.

I.W. HARPER
A famous American
in duty-free shops
around the world.

A smooth touch.
A mellow reward.
I.W. Harper bourbon
is famous in
more than eighty
countries around
the world...including
Denmark.



It's always a pleasure
I.W. HARPER

Schenley International Co., 888 Seventh Avenue, New York, N.Y.



WAVING—President Gerald Ford walking through large crowd at Nassau Coliseum in Hempstead, N.Y. on Sunday. He told the audience "we're going to win."

Rhodesia Independence Date Eyed

(Continued from Page 1)

these. Although Mr. Smith continues to insist that he is not prepared to back away from the arrangements for the transitional period that he drew up with Secretary of State Henry Kissinger, he has hinted that he is flexible on the length of the transitional phase.

The Kissinger proposals provide for majority rule within two years, a formulation allowing flexibility. The proposals, accepted by Mr. Smith after a meeting with Mr. Kissinger in Pretoria six weeks ago, envisage a bilateral interim government with substantial powers for whites, including control of the army and police.

The nationalists have rejected the Kissinger plan, insisting that the conference start from scratch in devising the structure of an interim government. However, they have accepted the idea of a transitional phase. Views on the length of the transition vary, but even Mr. Mugabe, considered the most militant figure, has conceded that a 12-month hand-over period might be necessary.

Mr. Richard was guarded in his assessment of the prospects for tomorrow's meeting. "I can give you no idea what's going to emerge from these discussions," he said. "I've just come to the conclusion now that it's worth while the various participants getting together around the table to see what we can hammer out."

It is believed that Mr. Smith may favor less than two years

Blacks' 3d Strike In South Africa Is Said to Fizzle

JOHANNESBURG, Nov. 1 (AP)—The third black strike in two months against the South African government's racial policies began today, but there appeared to be far less participation in it than in the previous ones.

Only scattered absenteeism was reported in Johannesburg. Railway officials said the trains that bring in about 220,000 commuters from Soweto, the big black ghetto south of the city, were full. A bus company spokesman reported a "very slight drop" in passenger loads from Soweto.

Police in Cape Town said that its nonwhite population was working and the city was peaceful.

Although the militant Soweto Students Representative Council called for a nationwide, week-long strike, many Soweto blacks said during the weekend that they thought the job boycott would fail. Some noted that many student leaders have been arrested and others have been driven into hiding. Many blacks said they might lose their jobs if they struck.

A gang of blacks attacked a municipal bus in Soweto, seriously injuring the black driver, and at least one suspected assailant was arrested, police said. No other violence was reported today.

for the transitional period on the assumption that a relatively early independence date will increase pressure on the nationalists to agree on the arrangements for transferring power. The government's calculation may be that the Africans, sooner than miss the independence date, will compromise on issues relating to the transitional phase and the independence constitution.

Mr. Smith did not elaborate on the issue this evening, but his remarks suggested, if anything, a hardening of his position toward the talks. Confirming that he was leaving "because I haven't got anything to do," he added:

Arab Peace-Keeping Troops To Arrive in Lebanon Soon

(Continued from Page 1)

station of the Phalange party, Lebanon's largest Christian group, said that a whole brigade of Palestinian guerrillas has occupied the Christian village of Kfar on the slopes of Mount Hermon in the north.

Mr. Kholy said that the Arab peace-keeping force will be stationed wherever the confrontation lines may exist, but not in southern Lebanon.

Press quarters noted that this meant the force will avoid any confrontation with Israel and that its mission will be strictly within the Lebanese framework and outside that of the Arab-Israeli conflict.

He said that Arab commanders have been working with military aides of President Sarkis on details of implementing the peace plan and that their recommendations will be submitted to Mr. Sarkis tomorrow for approval.

Under Arab summit conference resolutions, Mr. Sarkis has complete powers in controlling the Arab force, the Arab League envoy declared.

Mr. Kholy indicated that the force would not involve itself in internal Lebanese politics, a matter to be left entirely to Lebanese political leaders.

U.S. Maintaining Its Nomination of Envoy to Moscow

WASHINGTON, Nov. 1 (UPI)—The State Department said today that it had no intention of withdrawing the name of Malcolm Toon as U.S. ambassador to Moscow, despite apparent Soviet opposition.

Spokesman Robert Faneeth confirmed that the United States had submitted Mr. Toon's name "several weeks ago" and that there has been no response from the Soviet side.

Mr. Faneeth said, "We consider their lack of reply an unusual procedure and we don't intend to withdraw his name."

It is customary for all countries to seek the concurrence of a host country for important changes in embassy personnel. State Department officials said strong objections to a proposed ambassador are usually enough to cause a country to withdraw a name, since a diplomat's effectiveness depends on his ability to work with the host government.

Mr. Toon, 68, at present U.S. ambassador to Israel, is a career Foreign Service officer who had previously served as ambassador to Czechoslovakia and Yugoslavia.

Greece and Vatican To Sign a Concordat

ATHENS, Nov. 1 (UPI)—Greece and the Vatican will sign a concordat establishing diplomatic relations for the first time, a senior official of the Church of Greece said today.

He said that differences between the government and the leadership of the Church of Greece have been ironed out and that the arrival of an apostolic nuncio is expected to take place before the end of the year.

Yablonski Killer Gets 3 Life Terms

WASHINGTON, Pa., Nov. 1 (AP)—Aurora Wayne Martin, convicted of murder five years ago in the assassination of United Mine Workers' leader Joseph Yablonski, was sentenced today to three consecutive life terms.

Martin, 38, was the last of nine defendants to be sentenced in the 1968 deaths of Mr. Yablonski and his wife and daughter. They were shot while sleeping in their Clarksville, Pa., home, three weeks after Mr. Yablonski lost a bitter union election to W.A. Boyle, who is serving a life term for his murder conviction in the case.

"It is my request that this defendant never be made eligible for parole or furlough," Washington County Judge Charles Sweet said in sentencing Martin.

President and Carter Conclude Race Held Too Close to Call

(Continued from Page 1)

Gov. Edmund Brown Jr., who portrayed the Democratic presidential candidate as a choice of the future, of possibility, of openness." He said neither Ford administration would "recycle the last eight years into the status quo."

Carter Press Secretary Jody Powell said after being told of a Gallup poll result: "I think we'll try to relax and enjoy the position of being Mr. Gallup's underdog." He added that the Gallup poll, showing Mr. Ford leading by 1 per cent, was inaccurately drawn.

Mr. Carter was forced several times to respond to events back home in Plains, Ga., where a black preacher and activist from Albany, Ga., the Rev. Clemon King, was denied membership in Mr. Carter's Plains Baptist Church.

The church deacons, voting in Mr. Carter's absence, refused to open the church when Mr. King showed up for services, according to reporters that he had alerted.

Disagreement Noted

Mr. Carter said today he disagrees with the deacons, but that he would not quit the church.

"I can't resign from the human race because there's discrimination," he said. "I can't resign from America because there's discrimination. I can't resign from my church because there's discrimination."

"This is not my church. It's God's church," he added.

He said he thought the attempt to integrate the Plains Baptist Church was "partially, at least, politically motivated." But he said he did not have enough details of the incident to say firmly what brought it about.

The Democratic vice-presidential candidate, Sen. Walter Mondale, said in Philadelphia today that those predicting a low voter turnout "are in for the biggest surprise of their lives."

Sen. James Buckley Jr. in Philadelphia on the second stop in a final seven-city blitz that began in New York City. His final day of campaigning was to culminate in an appearance with Mr. Carter in Flint.

Arriving in Philadelphia, Sen. Mondale was greeted by Mayor Frank Rizzo and Pennsylvania Gov. Milton Eisenhower, who are involved in a bitter political dispute over an unsuccessful effort to recall Mayor Rizzo. When Mr. Carter campaigned in Philadelphia last week, Mr. Rizzo and Gov. Shapp refused to appear on the same platform.

Sen. Robert Dole was ending his 44-state campaign by stumping in the Midwest farming states, where 75 days earlier he had begun his drive as President Ford's running mate.

The Republican vice-presidential pick, Sen. Walter Mondale, said that the election is "critical," but he told a Peoria, Ill., airport gathering late last night that he

Iran Warns U.S. Over Reciprocity On Police Curb

TEHRAN, Nov. 1 (UPI)—Iran reacted sharply today to Secretary of State Henry Kissinger's promise to halt Iranian government surveillance of its citizens in the United States.

"Whatever attitude they [U.S. officials] adopt toward our officials will be reciprocated by us toward their officials," a spokesman for the Foreign Ministry said.

The question arose following a TV interview with Shah Mohammed Reza Pahlavi. Referring to Iranian students in the United States, the Shah said Iran's secret police "are checking up on anybody who becomes affiliated with circles hostile to my country."

The Shah said he believed the surveillance was being carried out with the knowledge and consent of the U.S. government. In Hartford, Conn., Mr. Kissinger said, "If it is true it will be stopped."

A U.S. Embassy spokesman here said "I cannot imagine how Iran can reciprocate since we don't have any U.S. officials here keeping tabs on American students attending Iranian institutions."

Yablonski Killer Gets 3 Life Terms

WASHINGTON, Pa., Nov. 1 (AP)—Aurora Wayne Martin, convicted of murder five years ago in the assassination of United Mine Workers' leader Joseph Yablonski, was sentenced today to three consecutive life terms.

Martin, 38, was the last of nine defendants to be sentenced in the 1968 deaths of Mr. Yablonski and his wife and daughter. They were shot while sleeping in their Clarksville, Pa., home, three weeks after Mr. Yablonski lost a bitter union election to W.A. Boyle, who is serving a life term for his murder conviction in the case.

"It is my request that this defendant never be made eligible for parole or furlough," Washington County Judge Charles Sweet said in sentencing Martin.

Pravda Derides Election 'Hawks'

MOSCOW, Nov. 1 (UPI)—Attacks on the Soviet Union and its Communist allies have continued right to the end of the U.S. presidential race as American "hawks" scramble for votes.

The party's daily newspaper, Pravda, said yesterday.

"The manufacture of all sorts of lies of an anti-Soviet and anti-Communist nature continued to the very last days of the election campaign," the newspaper said.

"The hawks of the U.S.A. do not stop at anything in their hunt for votes, regardless of how negative such events in the election campaign can be to the international atmosphere," Pravda added. "But Washington will have to reckon with the actual balance of power in the world and this balance dictates the need of sober thinking."

Election Returns at HARRY'S N.Y. BAR
Courtesy of U.P.I.
5 Rue Daumot, PARIS.

was convinced "we will win." Pressed for details, he said, "doubtless any accurate prediction could be made."

The weather is expected to be sunny over most of the country on Election Day, a possible boon for Mr. Carter.

Pollsters and pundits have said that a normal-to-low turnout would favor President Ford, large turnout, which might be helped by good weather, would favor Mr. Carter because his is the majority party.

Voters tomorrow will all choose 33 senators and 435 House members, as well as 14 governors and thousands of state legislators and local officials.

The Republicans are given a chance of overturning Democratic majorities in the House and Senate. Thus, if Mr. Carter wins, the Democrats will be back in control of the two elected branches of the federal government for the first time since M. Nixon captured the White House for the Republicans in 1968.

F-16s Will Get Nuclear Role

(Continued from Page 1)

the F-16 so it will have a capability to deliver atomic bombs. As a fighter-bomber, the F-16 will have a considerably smaller payload than the F-4 but, as an Air Force general observed, "you can carry one helluva explosive yield with just 1,000 pounds strapped under your wings" if atomic bombs are involved.

The changes largely involve the installation of electrical boxes to control the use of the atomic weapons. The equipment will slightly reduce the maneuverability of the F-16.

Of the estimated 7,000 atomic weapons stationed by the United States in Europe, the large majority are bombs to be delivered by aircraft of the United States, and some of its allies, such as West Germany, Belgium and the Netherlands.

Both Belgium and the Netherlands are purchasing the F-16 under a co-production arrangement with the Defense Department. It is generally expected that the planes will be equipped for a nuclear mission.

Some in the Defense Department have requested a cutback in the atomic stockpile in Europe. They contend that on strictly military grounds it is excessive and outmoded, particularly now that the Soviet Union has developed its own arsenal of tactical nuclear weapons.

Vulnerable Targets

Critics have argued that planes on alert with nuclear weapons have become vulnerable to Soviet ballistic missiles, and this vulnerability increases the pressures to launch the planes before they can be knocked out on the ground.

The Pentagon-instigated movements to reduce the stockpile have always been resisted by the State Department, which is fearful that the European allies will view such a step as a reduction of U.S. commitment to the defense of Western Europe. The State Department also raises the objection that such a step would be regarded by the Soviet Union as a sign of U.S. weakness at a time when the United States is trying to negotiate mutual troop reductions in Central Europe.

The same State Department objection, according to officials, was raised when it appeared that aircraft modernization might lead to a reduced nuclear war fighting capability in Europe. With the active support of the State Department, the decision was made to send the additional F-111 fighter-bomber wing to England and to give the F-16 a nuclear capability.

Radio Activity Is Hindered by Russian Signal

WASHINGTON, Nov. 1 (AP)—A mysterious and powerful radio signal, according to the Soviet Union, has been interfering with communications channels throughout the world since July, officials here and abroad report.

"It is quite severe," a Federal Communications Commission official said. "We don't know why the Russians are doing it."

King Hall, senior watch officer of the FCC's monitoring branch, said that the commission has received several hundred complaints since early July, mostly from amateur radio operators.

But he added that complaints also have come from aviation and maritime radio operators and communications firms, including American Telephone & Telegraph Co., International Telephone & Telegraph Corp. and RCA Global Communications Inc.

The FCC has sent four complaints to Moscow's Ministry of Posts and Telecommunications since Aug. 1, but has received no answers. In England, an International Amateur Radio Union official said amateurs in Sweden, Norway, Germany, Australia and the United States have reported the interference to his organization.

Crossland to Yugoslavia

LONDON, Nov. 1 (Reuters)—Foreign Secretary Anthony Crossland will leave tomorrow for a four-day official visit to Yugoslavia, the Foreign Office said today.

A Crisis of Confidence

Allegations Against Koreans Put Strains on Ties With U.S.

By Don Oberdorfer

WASHINGTON, Nov. 1 (UPI).—Continuing allegations of South Korean efforts to influence members of Congress and executive branch officials through cash, gifts and campaign contributions are placing new strains on already troubled political relations between the two countries.

If the allegations are capped by indictments and trials—as many expect—the result is likely to be a crisis of confidence affecting one of the world's most dangerous trouble spots.

Senior U.S. diplomats believe there is little they can do at this stage about the Justice Department investigation or newspaper revelations of corrupt relations between Koreans and well-placed Americans. They make no secret of their apprehension, however, that U.S. alliances and the world strategic balance could be gravely affected by the outcome.

More so than any other place in the world, the interests of the United States, the Soviet Union, China and Japan converge at the Korean peninsula.

The 38th Parallel

Backed by 42,000 U.S. troops, U.S. warplanes and atomic weapons, and by the economic interest of nearby Japan, heavily armed South Korea faces, across the 38th parallel, a heavily armed North Korea, which is backed by its neighbors and sponsors, China and the Soviet Union.

After the collapse of Indochina and the U.S. withdrawal from Thailand, South Korea remains the last U.S. military foothold on the Asian mainland. And with major historical and tangible investments at stake and the memories of 33,000 U.S. war dead in the Korean conflict, the United States has reacted fiercely to any hint of military challenge.

Former Secretary of Defense James Schlesinger, backed by President Ford and other high officials, responded to rumors of trouble in May of last year by saying that the United States

would consider using tactical atomic weapons in case of a North Korean ground attack.

When two U.S. Army officers were killed in August by North Korean troops in a Demilitarized Zone incident, the United States deployed a naval task force from the Pacific, F-4 jet fighters from Okinawa, B-52s from Guam and F-111 warplanes from Idaho in a show of force with nuclear implications.

Less stark or dramatic as a military threat but as important in the long run has been the long, slow, steady deterioration of the once-close political ties between the United States and South Korea.

This has been brought about by the increasingly repressive rule of South Korean President Park Chung Hee and the growing reaction to that on the part of the U.S. press, church groups, Congress and the public at large.

As the history of the Vietnam war demonstrates, it is no longer sufficient for an expensive foreign military commitment to have the backing of the White House, Pentagon and State Department. Without the support of Congress and the public, any U.S. alliance is in peril, and without the acquiescence of Congress and the public such foreign policy commitments are not viable.

Embassy Officers

In Washington today, nearly every major embassy employs officers assigned to practice their diplomacy on Capitol Hill rather than at the State Department.

Many embassies employ public relations experts or paid consultants to polish their nation's image—and powder the blemishes—for presentation to the U.S. press and public.

The realization of the growing rule of Congress and the public—and the perception that South Korea's position with these groups was steadily eroding—may well have been the motivating factor behind the South Korean campaign now being investigated.

From the Korean point of view, influence-buying follows the lines of familiar practice over many years by Americans and Japanese seeking influence in Seoul. Last year, Gulf Oil chairman Bob Densky testified to secretly paying \$4 million to the political party of President Park.

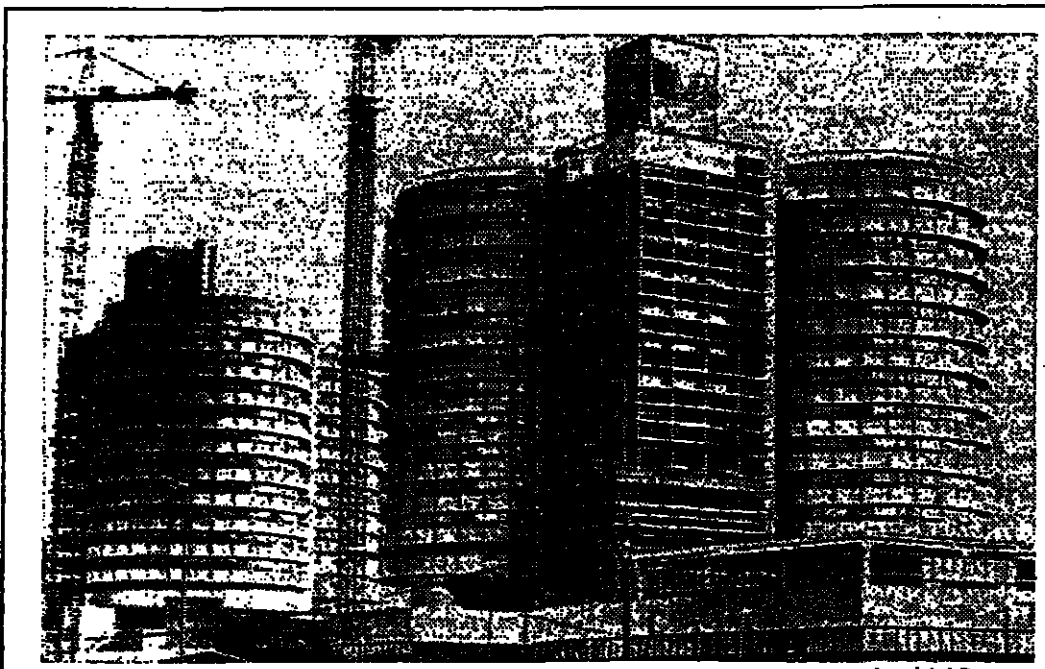
Even before the corruption allegations emerged, South Korea was in political trouble here. In a show of displeasure, Congress last year cut military sales credits for Seoul, which could be restored only on the certification by President Ford that human rights conditions were improving.

Mr. Ford never so acted. An attempt to continue the limit on the same issue was defeated in the House in June, 241 to 159, after a major fight. In April, 119 members of both houses signed a letter to Mr. Ford expressing concern about U.S. support for Mr. Park's repressive rule. Last week, 133 members of Congress signed a letter to Mr. Park protesting the sentencing of prominent dissidents to prison terms.

In the presidential campaign, Democratic candidate Jimmy Carter has charged that South Korea "openly violates human rights." Mr. Ford revealed in a televised debate that he personally had told Mr. Park that "the United States does not condone the kind of repressive measures he has taken."

Mr. Carter has called for the withdrawal of U.S. ground troops from South Korea over a period of four to five years, and immediate withdrawal of U.S. nuclear weapons there.

Senior officials in the Ford administration say that they would consider reductions in the U.S. troop strength in Korea from 42,000 to perhaps 20,000 or so, but that withdrawal of all troops could be dangerous. These officials see nothing to be gained from withdrawing the nuclear warheads.



WORLD'S MOST MODERN HOSPITAL—Scheduled to open in the spring of 1978, the Muenster, West Germany, complex will provide 1,200 beds. Each circular tower will have twelve rooms to a floor. The cost will be 700 million marks (\$292 million).

Guerrilla Leaders at Rites

IRA Buries Maire Drumm in Ulster

BELFAST, Nov. 1 (Reuters).—The Provisional IRA today buried one of its heroines. The largest military-style Republican funeral ever seen in the British-run province was attended by guerrilla leaders from both sides of the Irish border.

Thousands of Republicans, some dressed in IRA uniforms, blocked the main road to West Belfast's Milltown Cemetery, where guerrillas killed by British forces are buried. For the funeral procession of Mrs. Maire Drumm, 55, she was murdered last week in a Catholic hospital where she was a patient.

An IRA party fired a volley over her coffin after a funeral oration. Mrs. Drumm, dedicated to driving the British out of Northern Ireland, was called "grandma" by British troops for her speeches and support of a reunited Ireland.

Protestants Blamed

Republicans and police blamed extremist Protestant paramilitary gunmen for the point-blank killing of Mrs. Drumm, who retired because of ill health last month as vice-president of Provisional Sinn Féin, the legal political arm of the IRA.

More than a thousand mourners, including her daughter, released on compassionate parole from an eight-year jail sentence for carrying a gun, thronged a Catholic church in the IRA stronghold of Andersonstown, where she lived, for the requiem mass.

Thousands more joined the funeral procession along the Republican Falls Road from which soldiers and police were noticeably absent.

Lament Played

All stores and businesses in the area were closed as the hearse bearing her coffin, covered by the Irish tricolor, entered the cemetery flanked by youths and girls wearing the black berets of the IRA.

Pipers playing a lament led Stoph Reaffirms Links to Kremlin

BERLIN, Nov. 1 (Reuters).—East Germany is "forever and irrevocably" allied to the Soviet Union, Premier Willi Stoph told parliament here today.

Presenting his 30-man Cabinet and his government program, Mr. Stoph said, "The deepening and broadening of the close friendship with the Soviet Union will continue to be at the center of the Ministerial Council's foreign policy."

Mr. Stoph was head of state until Friday when parliament elected him Premier and party chief Erich Honecker head of state.

groups of wreath-bearers carrying several hundred floral tributes from IRA battalions, including one inscribed from the Republican movement in Australia, and another from supporters in West Berlin.

An army helicopter hovered over the procession and circled the cemetery. Observers said prominent IRA leaders, such as Seamus Twomey, reputed IRA chief of staff, and the former Belfast brigade commander, Joe Cahill, as well as the president of Provisional Sinn Féin, Rory O'Druid, had come to the funeral but were keeping under cover.

Mrs. Drumm's husband, Jimmy, has served 13 years in prison for IRA activities and a son was interned for three years. After the funeral, a crowd of several hundred stoned the nearby Andersonstown army and police barracks.

Four European Socialists Urge

LISBON, Nov. 1 (UPI).—Four West European Socialist leaders threw their weight behind the minority government of Premier Mario Soares today and emphasized the importance of outside aid for Portugal's nascent democracy.

"It is now that Europe has the historic task of not leaving Portugal alone; Europe needs Portugal," West Germany's Willy Brandt told Portuguese Socialists. "I can confirm that our friends in the West German government will continue to support you."

France's Francois Mitterrand urged the Socialists here to translate their words into action while Austria's Bruno Kreisky declared that "we Socialists do not fight against a dictatorship to give in to another."

Sweden's Olof Palme emphasized the need for Socialist solidarity throughout Europe. The four leaders spoke on the final day of the Socialist party's national congress staged by Mr. Soares to garner support for his moderate wing against threats from the party's Marxist faction led by Agriculture Minister Antonio Lopes Cardoso.

The arrival and speeches of the European Socialist leaders appeared to have turned a retreat by Mr. Cardoso's supporters into a full rout.

Motions passed in the congress and the composition of party

Trains Again Link North, South Vietnam

SINGAPORE, Nov. 1 (Reuters).—Hand radio today reported the resumption of railway traffic between what were formerly North and South Vietnam.

The radio said that Saturday the first train to cross the old 17th-parallel dividing line between the two parts of Vietnam left the district of Tien An, just inside northern Vietnam, for Danang, once the biggest U.S. base in Southern Vietnam.

Trans-Alaska Pipeline Out to Save Men Inside

BARBER CAMP, Alaska, Nov. 1 (Reuters).—Two cuts were made in the Trans-Alaska oil pipeline to rescue two workers lost inside the frozen pipe for several hours. The two men, Jim Goff and Bob Gibson, were welding inside the pipeline last week when the machine on which they traveled lost power and radio contact.

Danish Age of Consent COPENHAGEN, Nov. 1 (Reuters).—The age of consent for Danes was lowered from 20 to 15 today.

Japan Prices Rise TOKYO, Oct. 31 (AP-D).—Japanese consumer prices in September rose 2.7 per cent from August and 9.7 per cent from the like year-earlier month, with the consumer price index at 111.7 (1975 equals 100), the prime minister's statistics office said in a final report.

Authors Wanted BY N. Y. PUBLISHER

Leading book publisher seeks manuscripts of all types: fiction, non-fiction, poetry, science and nature, etc. New authors welcome. Send for free booklet: 23 VANTAGE Press 516 W 36 St., New York, N.Y. 10018, U.S.A.

Learn Everyday French IN PARIS OR CANNES

through films and conversation, day and evening courses. Small classes at all levels. Also individual courses (20 or 45 hours weekly). Enrollment at any time. New address: FRANCE LANGUES: 33, rue Boileau, 75016 PARIS. Tel: 525.03.40 Ext. 22 CANNES: Les Palmiers, Place Jean-Jaurès, 06110 La Cannelle. Tel: (93) 45.90.82

News Analysis

Bonn Troubled by a Feeling Of Isolation in West Europe

By Michael Getler

BONN, Nov. 1 (UPI).—Twice in recent weeks, West Germany's leaders have received unsettling reminders of what many people here consider to be the country's most troubling problem: the steadily growing gap—economical, militarily and even ideologically—between West Germany and the rest of Western Europe.

Since the end of World War II, Bonn has sought to link West German policy to a united Europe, in which West Germany's head would not stick up as obviously as it did during its troubled prewar and wartime past.

To an increasing extent, however, the West Germans now seem to look toward the United States as the only place where they see both relative stability and compatibility.

The reminders of their being "different" came first from the French, who officially notified Bonn earlier this month that by the end of next year France would withdraw 10,000 troops from its 60,000-man West German garrison.

Latest Troubles

Then came the latest round of troubles for the British pound and Prime Minister James Callaghan's suggestion in a television interview that unless his country's severe financial strains are relieved, Britain might be forced to review its continuing support of the 50,000-man Army of the Rhine.

Adding to the Bonn government's uneasiness is the fact that the French withdrawal does not hurt much militarily, and the British suggestion is taken much more as a pressure tactic for getting more financial aid rather than a serious threat to reduce forces on NATO's front line with Eastern Europe.

Mark's Power

Since January, the powerful deutsche mark was increased in value by 9 per cent over the dollar, 21 per cent over the French franc and 38 per cent over the British pound and Italian lira. It has also just been revalued upward within a group of smaller European currencies.

Normally, this kind of dramatic increase would be expected to make West German goods much more expensive in other countries and thus reduce Bonn's booming export business.

The latest statistics, however, show a sharp increase in West German exports last month over the previous month and over the same month a year ago.

Some economists argue the mark is still undervalued. In this view, West Germany's impressive record of holding down inflation to 4 per cent, the lowest rate in five years, still gives West German products a competitive edge in countries like France, where the inflation rate is more than double, and in Britain and Italy, where inflation runs at least three times the West German rate.

Productivity Myth

The idea that West German workers are more productive than their British or Italian counterparts is viewed here as a myth. Rather, many West German officials and executives view the problem in both those countries as one of inefficient management and government.

Thus, on both sides of the political aisle, there is a sense of foreboding about Britain's economic and political future that in turn increases a sense of isolation that seems to be creeping into the West German consciousness.

To the south, Italy has a powerful Communist minority. To the west, the French government faces a growing challenge from the Socialist-Communist common front.

Yet, West Germany is growing more conservative. The left-liberal coalition government of Chancellor Helmut Schmidt retained power in national elections here Oct. 3 but it did so by only eight seats.

The narrowest majority in post-war history. Had Mr. Schmidt himself not been on the conservative side of his Social Democratic party, there is little doubt that his coalition would have lost.

Fighting Force Militarily, Bonn's armed forces of 495,000 are the largest and, aside from the Americans, the best equipped conventional fighting force in Western Europe.

Reductions in other allied Western European forces, made

Brezhnev Will Visit Tito in Yugoslavia

BELGRADE, Nov. 1 (Reuters).—Soviet Communist party chief Leonid Brezhnev will visit Yugoslavia this month at the invitation of President Tito, the official news agency Tanjug said today.

Diplomatic sources said that Mr. Brezhnev was expected to arrive Nov. 16 and stay several days, meeting Marshal Tito at a country house at Belje, in the north.

Two Hanoi Aides Arrive in France

PARIS, Nov. 1 (AP).—Two senior North Vietnamese officials arrived today on the first official visit to France since their country in 1954 was an eight-year war for independence from the French.

Nguyen Co Thach, deputy minister of foreign affairs, was accompanied by Mai Van Bo, who has long been Hanoi's semi-official representative here. Their stated purpose is to hold five days of talks on normalizing relations, the possibility of French investment in their country and compensation for nationalized French firms.

North Vietnam has denied a French news agency report from Hanoi that the two officials will open the planned negotiations with the United States over U.S. demands for information on servicemen missing in action and Hanoi's claims for war reparations.

U.K. Fireflies Confused on Sex Symbols

LONDON, Nov. 1 (Reuters).—Britain's urban lighting at night is playing havoc with the sex life of glowworms, a naturalist warns.

Anthony Wootton, probably the country's foremost glowworm expert, said the female fireflies are dying out because the males are mistaking the glow of electric bulbs as the mating signal of their female companions.

He said that the male now exhausts his energies by chasing the wrong kind of light. Mr. Wootton is the only man in the country known to breed glowworms in captivity.

Two Indian Papers Criticize Delay in National Elections

NEW DELHI, Nov. 1 (UPI).—Two Indian newspapers today criticized the government's decision to postpone parliamentary elections for at least one more year.

The Indian Express and the Patriot were the only newspapers circulated in New Delhi to comment editorially on the announcement made Saturday.

The Express said the move "will be widely regretted," and the Patriot called Law Minister H. R. Gokhale's explanation to Parliament of the necessity for the delay "a clumsy job."

Prime Minister Indira Gandhi's government declared a nationwide state of emergency in June, 1975, and under emergency rule postponed parliamentary elections due last March for a year.

The new postponement will keep the current Parliament sitting for at least seven years instead of the normal five, Mr. Gokhale did not say that there would be elections in 1978 but he said they would not be held before then.

Government's Rights "No one can question the right of the government to deal with threats to law and order from whatever quarter they may come," the Express, India's largest circulation paper, said in its editorial.

"But after 18 months of emergency, the question is whether the time has not come to restore most of the democratic liberties that have remained suspended and whose continued suspension is affecting the country's international image."

The Patriot, whose views often coincide with those of the pro-Moscow Communist party of India, said elections are needed to hold accountable the representatives of the people.

The party has announced its opposition to the government action. Many observers expect the government will also postpone elections scheduled next year in 17 of India's 23 states.

Paper Wins in Court NEW DELHI, Nov. 1 (Reuters).—The Indian Express today gained a temporary court order preventing the Delhi municipality from selling off its property for recovery of alleged property tax arrears.

The newspaper alleged in court today that the municipality's action was intended to "overawe and terrorize" it.

C. D. Chamberlin, 82, Dead; Pilot Flew the Atlantic

SHELTON, Conn., Nov. 1 (AP).—Clarence D. Chamberlin, 82, the first U.S. pilot to fly a passenger across the Atlantic, died yesterday after a long illness.

Mr. Chamberlin made his flight from Long Island, N.Y., to Germany two weeks after Charles Lindbergh's pioneering solo flight to Paris in 1927.

On April 14 of that year, Mr. Chamberlin and flying companion Bert Acosta set an aviation endurance record, keeping their Wright-Bellanca monoplane aloft for 51 hours 11 minutes 30 seconds over Long Island.

On June 4, Mr. Chamberlin set out for Europe in the same single-engine plane, carrying Charles Levine, a New York businessman. During the 43-hour journey, Mr. Chamberlin was at the controls of his plane, the Miss Columbia, for all but a few minutes. He was aiming for Berlin, but fuel ran out 100 miles short of his goal and he landed in Ebleben, West-Berlin. The flight set a world's nonstop distance record.

Mr. Chamberlin was at the controls of his plane, the Miss Columbia, for all but a few minutes. He was aiming for Berlin, but fuel ran out 100 miles short of his goal and he landed in Ebleben, West-Berlin. The flight set a world's nonstop distance record.

Two Hanoi Aides Arrive in France

PARIS, Nov. 1 (AP).—Two senior North Vietnamese officials arrived today on the first official visit to France since their country in 1954 was an eight-year war for independence from the French.

Nguyen Co Thach, deputy minister of foreign affairs, was accompanied by Mai Van Bo, who has long been Hanoi's semi-official representative here. Their stated purpose is to hold five days of talks on normalizing relations, the possibility of French investment in their country and compensation for nationalized French firms.

North Vietnam has denied a French news agency report from Hanoi that the two officials will open the planned negotiations with the United States over U.S. demands for information on servicemen missing in action and Hanoi's claims for war reparations.

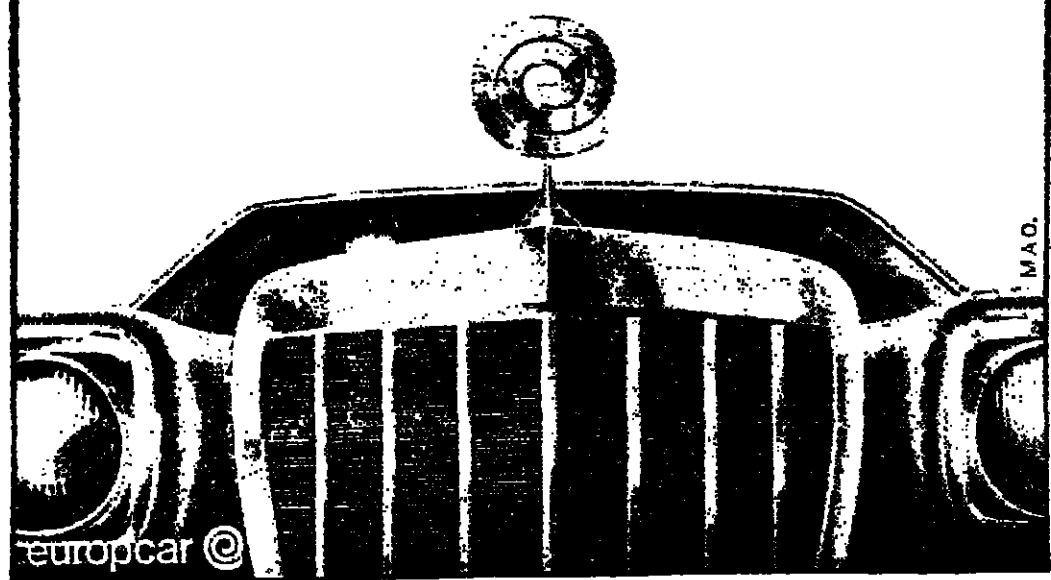
Rebel Bishop Defies Papal Ban, Ordains 13

ECONE, Switzerland, Nov. 1 (Reuters).—The Most Rev. Marcel Lefebvre defied Pope Paul VI's ban on ordaining 13 deacons here, three months after the Vatican suspended him from all priestly duties.

Archbishop Lefebvre, a French traditionalist who opposes reforms promoted by the 1962-65 Vatican Council, ordained the candidates, 11 of them from France, in the seminary he established in this southern Swiss village six years ago.

2500 locations worldwide (in the U.S., Latin America & the Pacific, it's National Car Rental).

Why rent just any car when you can rent a Europcar?



The finest in French Crystal since 1764.

You are cordially invited to visit our Museum and retail showrooms.

30 bis Rue de Paradis, Paris. Tel.: 770-64-30.

Open Monday-Friday, 9 a.m. - 5 p.m. Saturday, 10-12 a.m., 2-4 p.m.

Also obtainable in selected specialty stores near your home in and outside of France (list and catalogue available on request).

هنا من الأهرام

The Man Who Wants Leave 'Footprints'

on the Moon

By Judith Martin

WASHINGTON (AP)—It was definitely not that the Lunar Module-Probe Lunacy is servicing. "Mand" as the of the Air and Space Museum's art gallery is known, perfectly well, is guaranteed to work for a long time, which comes first," said the in-

Rowland Emmett with his Lunacy, driven by "Prof. Leo Capricorn, H.O." at the Air and Space Museum in Washington, D.C.

Flying Machine Mark II is in Cleveland now; the veteran car of the future, which has Chipendale wind screens, is in Chicago; the Forget-Me-Not elephant computer is in Philadelphia, and six trains, including the Far Towering and Oyster Creek Railway, are in Ontario, Canada.

ON THE ARTS AGENDA

Fifth Festival de Lille, runs through Dec. 7 in French city, includes performances by the Virtuosi di Nov. 4 and 5 and the Teatro Musicale of Rome, works by Cimarosa, Mont-

porary program, and the Philharmonia Hungarica under Reinhard Peters. The closing concert will be devoted to works for percussion, featuring Sylvio Guida.

Igor Stravinsky's autograph manuscript of the full score of "Agon," commissioned by the New York City Ballet and first performed in concert and stage performances in 1977, will be sold Nov. 8 by Sotheby Parke Bernet in London. Sotheby's says it is estimating a price of \$40,000-\$50,000 for the 88-page manuscript.



the house tend to go with them. "That's my beautiful lamp shade," she said, pointing to the top of the Lunacy. "There's my jelly mold."

"Every time I finish one, the house has to be done over," he said.

Emmett was asked why he switched from cartooning, and he said, "Money." He was asked what he gets for each machine, and he said, "Headaches."

The Lunacy has attracted great attention from tourists at the Air and Space Museum. Most of them want to know which mission it was on. "I tell them, 'Apollo 12,'" said museum director Michael Collins.

Perhaps Emmett's most famous work is the machinery he did for the film "Chitty-Chitty Bang-Bang," but he expects to paper the world with a new wall-covering to be sold so that his designs may be applied directly on the house. "No rumpus room across the States will be safe."

There are also plans for an Emmett Kit, consisting of "plastic goodies and a small electric motor, which a child can clip together to make an Emmett, or up to four machines of his own," sort of an offbeat model airplane kit.

What is he working on now? "Why, I'm working on a holiday."

Although he was a friend of the late Rube Goldberg's, Emmett claims to be alone in his field. "He did chain reactions; mine are parodies of real machines."

But why don't other people satirize technology like that? "I expect they don't have the heart to."

Chicago Museum Trustees Accused

CHICAGO, Nov. 1 (AP)—The Illinois attorney general says the trustees of a medieval art museum have violated its charter, squandered its collection and siphoned off funds in the form of high salaries.

Attorney General William Scott said at a news conference that he is suing to prevent the trustees from auctioning off a rare collection of antique musical instruments.

The George F. Harding Museum, which houses a \$25-million collection of art, medieval armor as well as the instruments, was established as a tax-exempt corporation by George F. Harding Jr., a local real-estate magnate

'Pimple-Faced Kids'—Can Anyone Help?

By Richard Flaste

NEW YORK (NYT)—Acne is a malevolent disease that can scar—both physically and emotionally—the waning years of childhood. Yet it is often trivialized. Adults manage to screen off the pain of their own teen-age years, so that the self-disdain that was rampant then emerges now only as a certain repugnance associated with the word, acne.

Talking about how emotionally painful acne often is, Dr. Arnold Rachman, a psychologist who works with teen-agers, described it as "a dramatic symptom of the body identity crisis that adolescents go through—they're in a container that seems to be out of whack."

He said parents could aid youngsters having a hard time of it by sharing with them in conversation what has already been shared with them genetically—acne is believed to have a hereditary link—and talk about those uncomfortable memories.

Another move he supports is taking the child to a dermatologist. Dr. Rachman asserts that taking a child for treatment will at least show the child that the parents are working on his side.

Doctors

Moreover, it appears that dermatologists truly can be helpful, using treatments that were either unknown or rare in the teen-age years of today's parents. Dermatologists say that they can reduce the disease in most cases

to a level that leaves a teen-ager unembarrassed to do the things that are important to him, such as going to parties.

But acne remains incurable. It is initiated by increased glandular activity that produces oils that become trapped when the pores are clogged by dead cells combining with the oil beneath the skin. Bacteria act upon the oil and release an irritant that causes the inflammation.

Dermatologists attempt to keep "the fires burning low," as Dr. Albert Kligman, professor of dermatology at the University of Pennsylvania, put it, by using antibacterial agents that seep beneath the skin or Vitamin A acid, which prevents the formation of blocked pores. In more serious instances, they administer antibiotics orally (antibiotics that can be used on the surface of the skin have not yet been approved by the Food and Drug Administration). And if a youngster peels the skin mechanically to unclog the pores.

What they will not do, in most cases, is advise that the teen-ager relinquish chocolate, French fries or anything else that's greasy or sweet.

No Evidence

It's not that they're especially in favor of teen-agers devouring fats and sugars. And if a youngster comes to Dr. Nancy Esterly, director of pediatric dermatology at Michael Reese Hospital in Chicago, determined never to drink another cola, that's fine with her.

But, she said, "I don't think it's fair to prohibit children from eating what they want so without solid evidence that it does the damage, and so far there's no evidence that shows such things as chocolate bars cause acne."

Nor, according to the dermatologists, do emotional problems except that a youngster who is tense about his face may press it and pick at it all the time, which could spread the irritation. Dirt does not even cause blackheads to be black; that seems to be more a reaction to exposure to the air than anything else.

Continuous washing—more than the recommended two times a day—can, in fact, do more harm than good since it irritates the already assaulted face.

Harmful Creams

Greasy preparations, the dermatologists say, such as some cosmetics and cleansing creams, can be harmful in that they would accelerate the plugging of the pores.

Most of the skin experts see

nothing wrong with the judicious use of over-the-counter acne products. Dr. Alan Shalita, head of the division of dermatology at Downstate Medical Center, said that "Clearasil and the like have a place. They provide cover and do speed up the drying of lesions that are present; they do heal."

What can be a problem, however, is the overuse of these medications—yet another way to irritate the skin.

The zealotry with which teen-agers tend to attack their faces, as if attempting to defeat the acne by brute force, is one of the things that disturbs Dr. Kligman most.

He said that sometimes a doctor's first attempt at treatment is to just leave the battered face alone for a while—call a truce. Then proceed gently. "I tell the youngsters," he said, "that you've got to carress your face."

ENTERTAINMENT IN NEW YORK

NEW YORK, Nov. 1 (NYT)—This is how critics for The New York Times rate new films and stage productions:

Films

"Solaris," a Russian science-fiction film directed by Andrei Tarkovsky, "is a parable about the nature of mankind," according to Richard Eder. There is a "general visual poverty" about this film, but that "is irrelevant, what matters is the conversations." Set in some future time, Solaris is a planet that appears to be a vast sea, but may be a superior consciousness, a great brain. On a space station near the planet scientists have been mentally shattered by some strange force; the problem is whether to destroy Solaris. The version allowed out of the Soviet Union is half its original four hours, and despite "a slow

rhythm, difficult dialogue and a certain didacticism," Mr. Tarkovsky has created "an extraordinary film of great metaphors. Like his Solaris sea, he has made ideas walk, breathe and move us."

"The Marquise of O..." Eric Rohmer's German-language version of Heinrich von Kleist's 19th-century short story, "is a dazzling testament to the civilizing effects of several different arts." Vincent Canby says, "witty, joyous and so beautiful to look at that it must seem initially suspect." It's the story of a widow in an Italian town who is saved by a Russian officer from a brutal rape by Russian soldiers. But she becomes pregnant; it seems that the officer, after saving her, drugged her and took advantage of her. In the end, the Marquise consents to marry the officer. One of the reasons the film is so successful "is that Rohmer shares with Kleist an appreciation of the most benign sort of irony." The German actors "perform with the kind of grace I associate with stylish Restoration comedy." Canby says, "One of the things that makes this film much more than simply likable is an awareness that their feelings are earnestly sincere."

Plays

"The Innocents" is a revival of William Archibald's "rather clumsy" adaptation of Henry James's "The Turn of the Screw." Clive Barnes points out that in the novella you never see the ghosts that haunt the two children; but here, in the play, they are very real, and "seem obtuse and clubfooted." The staging by Harold Pinter "makes the most of the magic and suspense. It is very cleverly done." Clive Bloom, as the governess, "looks and sounds perfect." Even the two children, Michael MacKay and Sarah Jessica Parker, "are no less successful." But for Canby, "when you have talents of the nature of Miss Bloom and Pinter, to revive a pedestrian play adaptation of a great novel seems to savor something of folly."

Newport Jazz in Paris

PARIS, Nov. 1 (NYT)—The Newport Jazz Festival, currently on a European tour, will be in Paris for five days, starting Nov. 3, with McCoy Tyner at the Theatre des Champs-Elysees at 8:30 p.m.; Nov. 4, Gil Evans at the Maison de la Radio, Salle 104, at 8:30 and 9:30 p.m.; Nov. 5, Betty Carter and the Bill Evans trio, again in Salle 104, at 8:30 p.m.; Nov. 6, Sonny Rollins at the Theatre des Champs-Elysees at 9 p.m.; and Nov. 7, Muddy Waters at the Maison de la Radio at 8 and 9 p.m.

Tourists in Spain

MADRID, Nov. 1 (AP)—The Information and Tourism Ministry has announced that 3,080,326 tourists visited Spain in September or 3.4 per cent fewer than in the same month of 1975. The number of visitors in the January-September period this year amounted to 25,139,668 or a drop of 4.2 per cent.

Partnership with Bayer

+++ research success fights heart infarction +++



Heart diseases are international. Cardiovascular diseases are in fact spreading alarmingly. Today they kill almost 60% of all people. That doesn't have to be. For now we are gaining ground in the fight. Research has focussed on the heart. At Bayer's, too.

Bayer research scored a success. For more than a decade scientists of all faculties working in the Bayer laboratories tackled the task of successfully supporting the diseased heart. Thousands of compounds were studied, tested, rejected or developed further. Until one preparation was at last approved and released. A new chance — a new hope for many heart patients.

Once again Bayer can help physicians and their patients in all parts of the world. A disease menacing mil-

lions of people loses a little of its frightening aspect. But many unsolved problems remain in the medical field. Research goes on. In this work we join hands with doctors all over the globe. For better aid to the sick. With Bayer pharmaceuticals.

Bayer is active in almost all countries of the world in the fields of chemicals, dyestuffs, engineering materials, man-made fibres, pharmaceuticals and crop protection products. Bayer Germany: An enterprise with 169,000 co-workers and 6,000 different sales products.

Bayer thinks of tomorrow — today

Bayer

مكتبة الأمل

The Nuclear Issues

Of all the issues the next U.S. president will face, none are more critical than those in the nuclear field, civilian and military, for they can mean life or death for the nation—and for all civilization. The policies Jimmy Carter and President Ford promise in this area diverge sharply at a number of points.

On halting the nuclear arms race with the Soviet Union, while assuring an adequate defense, both candidates have committed themselves to "essential equivalents" with the Soviet Union and rapid conclusion of the SALT-2 negotiations, which have been 90 per cent completed by Secretary of State Henry A. Kissinger on the basis of the Ford-Brezhnev Vladivostok agreement.

It is on the longer-range perspective in strategic arms—which might be touched on in the SALT-2 treaty, but is more likely to be addressed seriously in SALT-3, that Jimmy Carter has differed sharply with the administration on a fundamental issue and has made a major new proposal.

The administration programs to develop bigger, highly accurate intercontinental ballistic missiles often are minimized as "bargaining chips" for the SALT talks. But, as experience shows, they are less likely to be bargained away than to become imbedded in the force structures of both sides. We support Mr. Carter's proposal to seek agreement with the Soviet Union on "a quick freeze" on qualitative improvements in strategic weapons and on such quantitative elements as numbers of atomic missiles and warheads and total throw-weight.

A freeze or, at least, a slowdown in quantitative and qualitative improvements in strategic weapons is the essential first step toward significant reductions in the high limit put on the arms race in the Vladivostok agreement. If the huge and expensive buildup on both sides permitted under the Vladivostok ceilings is complete, it will be infinitely more difficult to negotiate reductions.

The dangers of "vertical" proliferation of nuclear weapons in the mounting Soviet-U.S. forces is exceeded only by the risks of "horizontal" proliferation, now that 28 or more countries have or are building nuclear power reactors, which also can produce the explosive for atomic bombs. Plutonium, a man-made element that builds up in spent reactor fuel rods, may one day be re-used as commercial nuclear fuel. But, for the moment, its only real use is for bombs that

can be made so easily that almost any government, guerrilla force, terrorist group and even the Mafia could do so, once the far more difficult step of separating the plutonium from highly radioactive reactor wastes has been accomplished in a nuclear reprocessing plant.

Mr. Carter has put forward a comprehensive plan to get the proliferation problem under control and avoid a premature "plutonium economy" that would put Third World countries alone in possession of enough nuclear explosives annually to make 3,000 bombs a year in the 1980s.

President Ford's most critical anti-proliferation decisions are to seek a worldwide, three-year moratorium on the export of plutonium reprocessing technology and—far more important—to defer commercial plutonium reprocessing in the United States pending further "evaluation."

The administration's new anti-proliferation strategy states that the avoidance of proliferation henceforth "must take precedence over economic and energy benefits." It tells the world that "reprocessing should not proceed unless there is sound reason to conclude that the world community can effectively overcome the associated risks of proliferation"—something many experts consider a virtually insoluble problem.

There are two other important Carter proposals ignored by Mr. Ford—that we support. One is to seek a five-year Soviet-U.S. moratorium on all nuclear explosions, including so-called peaceful devices, pending negotiation of a worldwide comprehensive test ban treaty. The other proposal is to increase non-nuclear priorities for U.S. energy research and development funds, two-thirds of which now are committed to nuclear power, with emphasis on speeding a commercial breeder reactor by the 1990s that would use plutonium as a fuel and cover the globe with plutonium stockpiles. Mr. Ford proposes to leave the swollen breeder budget intact.

Finally, we favor Mr. Carter's pledge to make more vigorous and effective summit-level approaches to the leaders of West Germany and France to defer their sales to Brazil and Pakistan of small, uneconomic plutonium reprocessing plants, the first ever sold by any supplier nation, which can have only one purpose: to make bombs...

FROM THE NEW YORK TIMES

Irish Imbroglia

The presidency of Ireland is principally a ceremonial post; its occupant has no more political power than Britain's Queen. But one of his functions could be a vital safeguard in a democratic system: before signing into law a bill passed by parliament, he can ask the Supreme Court to rule on its constitutionality.

President Cearbhall O Dalaigh, nominated by all parties after the death of Erskine B. Childers in 1974, and thus installed without a popular election, recently requested the court's judgment on two emergency bills aimed at curbing Irish Republican Army terrorism. It was a logical move by O Dalaigh, himself a former chief justice, for the bills would greatly expand police powers, extending the period in which suspected terrorists could be held without charge from 48 hours to seven days.

The court validated the bills but warned that if enforced loosely they could make serious "inroads into personal liberty." Outraged over the delay caused by O Dalaigh's referral, Defense Minister Patrick Donegan called the President a "thundering disgrace." Later he sought to apologize, but O Dalaigh refused to receive him and then resigned to protect, as he put it, "the dignity and independence" of the presidency, plunging the republic into a rare constitutional crisis.

This episode could hardly have come at a worse time for Prime Minister Liam Cosgrave's Fine Gael-Labor coalition. Ireland confronts an economic dilemma of proportions that even a government report has called "intolerable": escalating unemployment, soaring inflation, a huge balance-of-payments deficit. Cosgrave has also been under heavy pressure from London to crack down harder on IRA terrorism to ease Britain's task in Northern Ireland—pressure that was intensified after the assassination in July of the British ambassador to Dublin.

O Dalaigh formerly belonged to the opposition Fianna Fail, still Ireland's biggest single party, which fought the anti-terrorist bills in parliament and is now demanding new elections. Instead, the government has announced only an election for a new president for Nov. 24. The government's dilemma is the familiar one for a democracy in these times of trying to cope with ruthless terrorists while staying inside the Constitution.

It is doubtful if the delay caused by O Dalaigh's appeal to the Supreme Court seriously handicapped the fight against IRA terrorism. But now the combination of Donegan's rashness and O Dalaigh's stubbornness has plunged Ireland into a political crisis that threatens the life of the government.

THE NEW YORK TIMES

International Opinion

'Swinging' Britain

The political scene in London is beginning to look like a carnival in a madhouse. Inflation and the decay of the pound are accelerating, so the government threatens its associates in the EEC and NATO, from whom it none the less hopes for aid. A top trades union official states it is time the EEC bought Britain out of trouble. After all, he says, that was supposed to be an advantage of joining Europe. He, like almost everyone else in the country, completely overlooks the fact that the community is now subsidizing around a third of the cost of British food imports. The Ministry of Labor publishes triumphant figures proving

that there have been fewer strikes this year than for a long time past. But it omits to add that in spite of this the country is producing less than it did during the three-day week in 1974. And now the executive of the Labor party has spoken out against public-spending cuts, one member even going so far as to say he saw no reason why more money should not be printed if the government was short. Things have gone so far that a responsible newspaper describes it as progress that Mr. Callaghan managed to get through a 56-minute TV interview without once using the expression "foreign speculators."

—From the Neue Zürcher Zeitung (Zurich).

In the International Edition

Seventy-Five Years Ago

November 2, 1901

NEW YORK—Regarding the controversy over President Roosevelt's recent dinner guest, the Philadelphia Inquirer had this to say yesterday in its editorial: "Our Southern friends need not send Mr. Booker T. Washington to the Legislature or to Congress or make him Governor if they do not wish to do so, but if the President wishes to shake him by the hand we do not see whose business it is except the President's."

Fifty Years Ago

November 2, 1926

NEW YORK—"England is America-mad. The English girl imitates the dress of the American girl, no longer that of the French girl. The ambitious English boy plans to go to America. The English press bores with discussion of America. The English can't sleep with thinking about America. They envy our wealth, our resources, our youth, our spirit and our prestige." So said author Theodore Dreiser on his return from Europe yesterday.



After Faisal, Saudis Flex Muscles

By Eric Pace

JEDDAH, Saudi Arabia.—King Khalid of Saudi Arabia crossed the Red Sea to Egypt last week to watch earlier Saudi diplomacy result in a display of apparent Arab unity at the Cairo conference on Lebanon. King Khalid's deputy, Crown Prince Fahd, stayed in the remote desert capital, Riyadh, running the kingdom's administrative machinery, which takes in roughly \$30 billion a year in oil revenues. The Saudi telecommunications minister, Alawi Darwish Kayyal, caused a stir off in Montreux, Switzerland, by predicting that a "moderate" oil price rise was in the offing.

The farflung activities of the Saudi regime last week demonstrated how the kingdom has changed in recent years. In foreign affairs, Saudi interventions have become more pronounced; within the royal family, power has become more decentralized; and at home and abroad, the country's growing oil wealth has helped enhance the clout of Saudi technocrats, although it has also heightened stresses in Saudi society.

Saudi Arabia was already changing during the reign of its previous monarch, King Faisal, who used its wealth to extend its influence beyond its borders. But King Faisal's assassination at the hand of a young kinsman in March, 1975, has proven something of a watershed.

Escape the Shadow

Some informed Arabs say that it is partly a desire to escape the shadow of the revered King Faisal that has led the regime of King Khalid, his brother, to take such bold steps as summoning the Palestinian leader, Yasser Arafat, and flying him out of Lebanon to attend the Arab League meeting in Riyadh last month. The gathering, convoked by Saudi Arabia and Kuwait, produced a rapprochement between Egypt and Syria and a plan for ending the Lebanese civil war. That plan was nearly unanimous approval at the larger meeting of representatives of Arab League member nations, including 14 heads of state, in Cairo last week.

The Khalid regime's activism was further underscored at Cairo by a reported Saudi commitment to be among the chief financial backers of the collapsed Inter-Arab peace force that is to police Lebanon. And King Khalid, whose government has been trying to promote good feelings around the volatile Arabian Peninsula, also used the occasion for discussions with President Salem Rubaya of radical Southern Yemen.

In King Faisal's day the monarch was the unquestioned pivot around which the Saudi state revolved. But under King Khalid, a milder man, the day-to-day running of the kingdom has been overseen by the 55-year-old Prince Fahd, another brother. Nevertheless, King Khalid's admirers report that the monarch has gathered confidence and at some recent gatherings he has consulted advisers less often than he did earlier in his reign. By some accounts he has come to feel more comfortable in his formal role as the ultimate arbiter in the realm.

But the day-to-day affairs of the kingdom remain largely in the hands of Prince Fahd, a shrewd and experienced administrator with a keen sense of the interests of the extensive Saudi royal family.

The internal workings of the royal family are largely secret, but here in the Saudi commercial capital and in Riyadh, it is widely said that the inner core of decision-makers includes a handful of other princes, who, like the King and Crown Prince, are sons of the founder of the modern Saudi state, the late King Ibn Saud. Among these decision-makers are Prince Abdullah, the commander of the Saudi Arabian National Guard and third-ranking member of the government after the King and the Crown Prince; and Prince Sultan, the minister of defense.

In addition, the foreign minister, a Princeton-educated son of King Faisal, Prince Saud, has a key position, as does the suave oil minister, Sheikh Zaki Yamani, who is the archetypal Saudi technocrat.

As the development and modernization of Saudi Arabia has proceeded, fueled by the country's oil wealth, Saudi technocrats such as Mr. Kayyal have come increasingly into prominence. They are generally more amenable to foreigners than the ranking members of the royal family, and their utterances on sensitive issues draw attention abroad. So it was with statements made by Mr. Kayyal at a press conference last week in Montreux, which was the scene of a symposium designed to further business cooperation between Arabs and Europeans.

Mr. Kayyal declared that Saudi Arabia would continue to behave as a "responsible member of the international community" at the Organization of Petroleum Exporting Countries ministerial conference which is to be held in the Arabian emirate of Qatar next month, and is expected to fix a new, higher world base price for crude oil.

Not that Saudi Arabia needs more money. Though the kingdom's government expenditures are budgeted at \$30 billion a year, it has been spending considerably less. Yet pressure for a substantial oil price rise is expected to come as Qatar from Iran and from other producers, and Saudi officials said that their government would have to give weight to others' views.

The officials, and members of the foreign business community, reported that the Saudi leadership remains worried about the job that a substantial oil price increase would give to the economies of Western industrial nations, notably Britain and Italy, whose economic problems are particularly pronounced. But these informants claimed that Saudi arguments for restraint in order to protect oil-consuming nations are partly undercut by recent talk and measures in the United States against the Arab boycott of Israel.

Saudi officials insist, however, that the kingdom will adhere to Arab boycott measures, the blacklisting of firms in the United States and elsewhere that do business with Israel, even if that means cutting back on trade with the United States.

Saudi officials and the Saudi press remain vociferous in their denunciations of Israel, and it is widely expected here that King Khalid's regime would embargo oil shipments to the United States if Washington were to make some major gesture of support for Israel in the event of another Middle East war.

Arabs, Israelis

Michael Adams (DET, Oct. 5) makes several significant omissions. He fails to say that he is Director of Information for the Council for the Advancement of Arab-British Understanding (CAABU), a leading pro-Arab propaganda organization. CAABU and Michael Adams have campaigned actively for the Palestinians but since the Syrians entered Lebanon, his views and those of his organization have not been conspicuous in the letter columns of the British press—a silence reflecting, perhaps, the prevailing Arab attitude toward the Palestinians rather than Mr. Adams' own feelings.

He also overlooks the offer to the Palestinians of a state of their own in 1948. Finally, he ignores official Palestinian policy—a state in the whole area of Palestine in secular democratic society with the Jews, a joke given meaning reality by the mutual slaughter of Christian and Muslim in Lebanon.

The Palestinians' refusal of a state alongside Israel in 1948 has led to the denial of Israeli sovereignty by the Arabs; the attempted destruction of Israel several times; the cynical perpetration of refugee camps as a long-term propaganda campaign; the growth of Palestinian terrorism, hardly a criterion of moral justification; and with Israel seemingly secure in the foreseeable future, the ditching of the Palestinians by the Arab states now that they no longer serve a purpose.

Neither Israel nor the Palestinians necessarily have relevance always to the national interests of Arab states as Jordan in September 1970 and Syria in 1976 have shown. On both occasions the Arab world did nothing. Even though the Israelis, in each case, are beneficiaries.

For the record, I am a Jew, a Zionist and pro-Israel.

Dr. ASRAHAM MARCUS, London.

Amid Its Gloom North Sea Oil Gives U.K. Gleam of Hope

By Robert B. Semple Jr.

LONDON—In his efforts to mend Britain's economic and political wounds, Prime Minister James Callaghan did not invoke the civil servant's favorite position, North Sea Oil. Perhaps the range and magnitude of his difficulties—poor balance of payments, renewed inflation, a vulnerable currency, unemployment, disarray in his own party—have made even the promised riches of the North Sea seem insignificant. Perhaps, too, he was merely being honest: Oil will not solve many of Britain's basic weaknesses as a trading nation; nor, in the short term, will it do the one thing Mr. Callaghan would like to accomplish, which is to erase Britain's image as a nation which simply cannot sustain a reasonable standard of living and a generous program of social benefits without begging abroad.

But the oil is there, flowing in increasing quantities. And there are people in the upper reaches of government and business who believe that it will not solve Britain's difficulties, it will at least ease them. They are right. The oil should get Britain out of debt, sooner or later. But how right they are depends on two things. One is whether the relationship between the British government and the major oil producers can be maintained. That relationship, remarkably friendly so far, has now reached a delicate stage. The second is whether Britain will have to use all most of the oil money to pay off debts it is accumulating now, or whether the money can be turned to other, more productive purposes.

Complex Effects

That the oil is in fact coming from Jurassic sandstone deposits 10,000 and more feet below the bottom of the sea in itself is a welcome news. Expectation has become reality. According to three different estimates, operations this year alone should produce some 20 million tons of oil, which will mean \$2 billion to Britain's balance of payments accounts and is roughly equivalent to about one-fifth of the Kingdom's annual consumption. These figures should double next year, and by 1980, Britain—assuming of course, that it gets its hands on all the oil—could be wholly self-sufficient.

What do all these fancy figures mean to the average British consumer? In a direct sense, not much. Indirectly, more. Britain's persistent balance of payments deficit, aggravated now by the higher cost of imports due to the depressed value of the pound, exercises a real if hidden drag on the ordinary wage earner. The deficits mean that Britain must borrow, and borrowing costs money that might otherwise be used for business investment (meaning jobs) and the "social wage," the public programs for schools and housing that are so much a part of Britain's welfare state.

Help the People

The balance of payments is also watched closely by holders of sterling, and when they see sterling (as they have been in increasing quantities), the pound goes down, costs to consumers and businesses of imported goods go up, and inflation, the government's main target for 15 months, resurges.

To the extent that the oil can help the balance of payments (either by cutting dependency on imports, and even, in time, making Britain a net exporter) oil will also help people. But can oil also produce enough extra income to build schools for the engineers Britain needs, to mod-

ernize factories in other sectors of the economy, help labor relations, improve productivity?

The answer on this point is gloomier. Britain's debt to overseas lenders is about \$12 billion and it is now asking for a new \$3.9-billion loan from the International Monetary Fund and is talking about even grander, long-term aspirations in the money markets of the world. Given even the most favorable projections of the surpluses achieved by oil revenues (\$2 billion next year, rising to perhaps \$10 billion in 1980) are already heavily mortgaged to lenders. There is also plenty of gas in the North Sea, and when the effects of this are added to oil things look better. But there is still not a great deal left to play around with if one assumes that the government will use the money exclusively to pay off the creditors it already has.

Wants More

Even these projections assume a continuing willingness by the major oil companies to risk large sums of money on further exploration and development. Will they do so? That question is very much on the minds of people here. Up to now, the companies have agreed to many government demands, in no small part because the Department of Energy has scrupulously involved the companies in the negotiating process. At present, for example, the Treasury, through a series of interested royalty and tax mechanisms, takes about 70 per cent of company profits, whether these companies are British (such as British Petroleum), American, or Continental. These funds could mean much to the Treasury, and the companies have not screamed.

Now, however, Anthony Wedgwood Benn, minister of industry, wants more: 51 per cent state participation, not only in new commercial fields but in existing fields. What this means in practice is that Britain, perhaps to guard against a future energy crisis or a domestic increase in the price of Arab oil, wants guaranteed access to just one-fifth of everything produced in the North Sea. It also wants participation in company policy on boards and committees.

Since these conditions will apply not only to new fields but to existing fields, the leases for which were granted some time ago under quite different arrangements, some companies are wondering whether Mr. Benn has not changed the rules of the game. Others with complex refining and distribution systems outside Britain are not overjoyed by the idea of selling half their oil to one country in one place, even at market prices. Still others do not like the idea of the British government looking over their shoulders. But Mr. Benn has made it clear that any awards of new leases will depend in part on a company's willingness to rewrite old ones. And the betting, with individual concessions here and there, is that he will get his way.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address.

almost to a decimal—within the area: Arabs leaving Palestine and Jews leaving Arab countries in which they resided for millennia. In my book in Hebrew published recently, "Life Is With the Palestinians," I stressed by implication that the alternative to Salazar-Shalom, Peace—can, under prevailing conditions, be only Samson's Biblical determination to "die with the Philistines." God forbid.

ELITE ELIAKHAB, Honorary President, Israeli Council for Peace with Palestinians, Jerusalem.

Mr. Adams may have included the fact he is a director of information for CAABU. It may have been inadvertently omitted.

Chairman
John Hay Whitney
Co-Chairman
Catharine Graham
Arthur Ochs Sulzberger
Publisher
Bobo T. MacDonald
Editor
Murray M. Weiss
Managing Editor
George W. Bates
Senior Editorial Writer
Harry Esch

International Herald Tribune, S.A. au capital de 5,350,000 F.
R.C. Paris No 12 B 2112. 21 Rue de Berry, 75201 Paris Cedex 05.
Tel.: 203.20.00. Telex: 203.200.00. Cable: Herald, Paris.
Le Directeur: M. Robert B. Semple Jr.
© 1976 International Herald Tribune. All rights reserved.
Commission Paritaire No 24.231

oom on World Economy Spreads

Clyde H. Farnsworth
Nov. 1 (REUTERS).—In the
4-and financial centers of
an air of gloom is spread-
ing across the world,
and its capacity to tackle
growing problems of de-
velopment, growth and
employment.

Highly publicized difficulties
in the oil market have di-
rected attention to the fact that at
least one of the industrialized
countries are in some serious
trouble. As one analyst
said, "we are reaching the point
of no return, without even con-
sidering the impact of new oil
discoveries."

Italy, Denmark, Ireland, Fin-
land, Belgium, Australia and New
Zealand are among the other
countries in the Organization for
Economic Cooperation and De-
velopment which are facing
serious problems. "The signals
are everywhere," says one
analyst. "The world is in a
state of crisis, and we are
struggling under a mon-

'Everyone Can See The Dangers Ahead, But Nobody Knows How to Avoid Them.'

tain of \$125 billion of debts, still
unable in some cases to feed
themselves.

With the United States pre-
occupied by the election campaign
and all countries seemingly ever
more jealous of national sov-
ereignty, analysts say the inter-
national leadership that is needed
to deal with the problems is
lacking.

Danger Warning

A European banker warned that
the world economy could be head-
ed into a dangerous situation
unless a new U.S. administration
grasped the gravity of the situa-
tion. "Everyone can see the
dangers ahead," another expert

said, "but nobody knows how to
avoid them."

In the rich-poor dialogue still
driving on in Paris after 10
months, aiming to engineer a new
distribution of the world's wealth,
a delegate from India summed up
what is becoming a growing feel-
ing of debtor nations, both rich
and poor.

"We simply don't see any way
of paying the money back," he
said. "The Third World's total debt,
some \$50 billion is held by private
banks in the West. The rest
represents the concessional aid of
Western governments and
donor institutions such as the
World Bank."

The debt burden of some coun-
tries has reached unusual heights.
Egypt owes one and one-half
times its annual gross national
product, for example. India has
borrowed three-quarters of its
annual GNP.

More than half the official debt
of the Third World is owed by
India, Bangladesh, Pakistan and
Egypt. More than half the pri-
vate debt of the Third World is
owed by Brazil, Mexico, South
Africa and Taiwan.

Britain's sterling liabilities il-
lustrate the problems of a so-called
rich country. The official and
privately owned funds that for-
eigners have deposited in London
banks are nearly twice the na-
tional reserves.

Everyone Lives on Credit

The increasing debt of rich
and poor nations shows that virtually
everyone is living on credit. In
the last five years more new
reserves have been added to the
world banking system than at
any other time in history.

The credits created out of no-
where, Europeans say, may have
been a major factor behind the
world inflation. They financed
higher living standards that could
not be paid for out of production.
They made it relatively easy for
oil-importing nations, both rich
and poor, to pay for higher priced
oil.

Some bankers, businessmen and
government officials in Europe
are worried that the whole sys-
tem may crack, particularly if
several debtors defaulted simul-
taneously. But the likeliest pros-
pect in the view of analysts here,
is that governments will continue
to patch things up in any crisis
by simply printing more money.

"We must be prepared for slow-
er growth and for more reduc-
tion in living standards," said
one analyst. "The world is in a
state of crisis, and we are
struggling under a mon-

Growth Slowing

Growth is slowing as one coun-
try after the other decreases defla-
tionary measures to try to check
price increases. The OECD has
just revised downward its growth
projections for member countries
from about 5 per cent in the
second half of this year to 3.5
per cent, on an annualized basis.

The current-account deficits for
the group this year were revised
upward, on the other hand, from
\$20 billion to \$25 billion. For
developing countries that are not
oil producers the deficit this year
is expected to run near \$32 bil-
lion, compared with \$27 billion
in 1975.

But as the growth slackens,
analysts warn, the inflationary
pressure from the creation of
world credit could well continue.
At the same time, governments
have to spend money to maintain
unemployment compensation and
other social benefits. Significantly
more money may have to be
spent if the jobless figures rise,
as is now expected.

So what many analysts expect
later in the decade is the rather
unattractive combination of more
unemployed people looking for
work, prices still higher than
they are today and social ten-
sions that will make political life
everywhere more difficult.

U.S. Assets Rise To \$18.95 Billion

WASHINGTON, Nov. 1 (AP-DJ).—U.S. reserve assets rose \$39
million in September to \$18.95
billion, the Treasury reported to-
day.

The overall increase reflected a
\$193-million rise from August to
\$1.04 billion in U.S. holdings of
convertible foreign currencies, a
\$134-million rise to \$3.95 billion
in the nation's ability to draw
currencies automatically from the
International Monetary Fund and a
\$22-million rise to \$2.56 billion
in U.S. holdings of IMF special
drawing rights.

Italy's Trade Deficit Widens in September

ROME, Nov. 1 (AP-DJ).—Italy's
trade deficit widened to \$13 bil-
lion in September from \$10 bil-
lion in August, according to pre-
liminary figures reported Saturday by the
government statistics office.

Exports totaled 2,713 billion lire
free on board, up 37.8 per cent
from a year earlier. Imports were
reported as 3,225 billion lire, in-
cluding cost of insurance and
freight, up 35.2 per cent.

As Institutions Grow Wary The 'Little Man' Returns to Wall St.

NEW YORK, Nov. 1 (AP-DJ).—The growing
presence of private investors in equity markets
could be highly important for the stock market,
Baron's Financial Weekly says.

Burned by the fall in stocks during the recent
recession, institutional investors, the dominant
force of the past, have turned away from equities.
Their net acquisition of corporate equities fell
sharply during the bear market and has remained
under their pre-bear-market totals.

But taking up the slack, non-institutional in-
vestors have recently been reversing their past
trends and on balance have redeemed mutual
fund shares while being net buyers of other se-
curities, John Schulz, author of the article and
vice-president of Breen Murray & Co., says.

The sentiment among non-institutional investors
during the past two or three years has become
less negative than in the past, and in some cases
even decidedly positive. This shift could be im-
portant because the household sector has been
piling up financial assets at a record rate—about
\$85 billion during the first half of 1976. And
approximately \$67.5 billion of that went into
demand and time deposits and credit-market
instruments.

All that sidelined liquidity could be fuel for an
extended bull market.

By contrast, private, nonbank financial institu-
tions have been taking an increasingly dim view
of common stocks. Equity investors in this cate-
gory include mutual savings banks, life insurance
companies, private pension funds, state and local
retirement funds and mutual funds.

In the institutions' heyday of 1971, those in-
vestors collectively used over 40 per cent of their
new-cash inflow to buy common shares. In the
bear-market years of 1973 and 1974, the ratios

were only 26 and 14 per cent, respectively. In
1975, when the market once more was on the up-
beat, the ratio was barely 14 per cent, while in
the first half of this year it recovered to only
about 26 per cent.

Institutional investors, in other words, have
grown much more gun-shy about equities than
the private sector, in part because of damage
done to portfolio values by the bear market and
in part because of the relatively high returns
available from fixed-income investments during
the past two and a half years.

The 1972-74 stock prices collapse not only
caused institutional portfolio managers to under-
perform the market by a big margin, but also
caused severe disenchantment with common stocks
among their clients, mainly corporation pension
and state and local retirement funds.

Moreover, enactment of pension laws in 1975
subjected many institutional money managers to
new, potentially very stringent standards of
prudence. Not surprisingly, they responded by
putting a lot more of their net new-cash inflows
into credit market instruments than into common
stocks.

Billions of dollars are involved. According to
Federal Reserve statistics, "net acquisition of
financial assets" by institutions which typically
invest in corporate equities totaled \$60.5 billion
in 1975 and an estimated \$33.1 billion in the first
half of 1976.

Net stock purchases during these periods
amounted to \$8.5 billion and \$6.6 billion respec-
tively (the 14 per cent and 20 per cent of added
financial assets noted earlier). At the end of
1975, these institutions' total stockholdings were
worth at market about \$195 billion. Allowing for
subsequent price changes and purchases, the
mid-1976 value probably topped \$200 billion.

Money Growth, Public Spending Seen Cut

Tax Boost May Follow IMF Loan to U.K.

LONDON, Nov. 1 (Reuters).—
International Monetary Fund
conditions for a further loan to
Britain will probably lead to a
£1-billion rise in indirect tax-
ation in the spring 1977 budget,
or earlier, stockbrokers Phillips
& Drew say in their November
economic forecast.

The IMF will probably require
money supply (M-3) growth for
1977-78 to be cut to 10 per cent,
which would imply a cut in the
public sector borrowing require-
ment to \$2.2 billion.

Given the political difficulties
of implementing further spend-
ing cuts, this reduction is more
likely to be effected through
higher taxation, the report says.

Recent British monetary mea-
sures and probable conditions at-
tached to the IMF credit facili-
ties have led Phillips & Drew
to revise substantially their eco-
nomic forecasts.

Real gross domestic product is
expected to rise by an annual
2.5 per cent in the 18 months
to the end of 1977, against the
government's 4.5-per-cent esti-
mate in July, with no significant
fall in unemployment.

With the growth in export
volume in the Organization for
Economic Cooperation and De-
velopment countries expected to
fall by 2 per cent to 3 per cent
in 1977, export-led growth cannot
be relied on, the report says.

Higher Prices Seen
Following the recent slide in
sterling, prices are expected
to rise by 15 per cent in the
year to the end of 1977, rather
than the government's last an-
nounced target of 7 per cent, and
real disposable incomes are ex-
pected to fall by 3.5 per cent in
the year to August, 1977.

Overall fixed investment will
probably decline by 2.5 per cent
in real terms next year and
stockholdings, hit by high in-
terest rates, is expected to run
at \$400 million at 1976 prices, as
against the \$570 million forecast
in October.

The recent rise in the mini-
mum lending rate to 15 per cent
and calls for a further 2-per-cent
special deposits demonstrate the
government's commitment to a
tighter monetary policy, and
further restrictive measures can
be expected, it says.

These could include further
calls for special deposits, reim-
position of controls over banks'
eligible liabilities, direct ceilings
on bank lending, a selective im-
port deposit scheme and tighter
hire purchase controls.

Simon Comment
Meanwhile, in Washington,
Treasury Secretary William
Simon said there have been no
formal discussions between the
United States and West Germany
on the possibility of providing
additional financial aid to Brit-
ain.

"I have not been a party to
any such discussions," Mr. Simon
told Reuters.

He was commenting on a re-
port in the London Sunday
Times that the United States
and Germany are discussing a
plan to provide considerable ex-

tra funds for Britain in addi-
tion to the \$3.9-billion loan for
which Britain has applied to the
International Monetary Fund.

"There are all sorts of con-
versations and analyses going on
all the time," Mr. Simon said,
"but it would be premature to
say that actual discussions have
taken place."

"If you're talking about formal
negotiations you're talking about
me talking to (German Finance
Minister Hans) Apel and that
hasn't happened."

Asked whether he thought the
IMF loan will be enough for Brit-
ain's needs, Mr. Simon replied
that he could not answer that
until the analysis of Britain's
situation is completed.

But he added, "We hope so."

Price Worry Less in U.S.

NEW YORK, Nov. 1 (AP).—
Concern over double-digit infla-
tion among top U.S. executives
has lessened considerably in the
past year, a new survey says,
but the executives said they were
still cautious in their business
policies.

Fortune magazine, in its
November issue, said 200 execu-
tives answering their poll ex-
pressed more confidence that the U.S.
economy would rebound and
stay prosperous over the next
few years.

The survey, taken twice a year
and released Sunday, said 25 per
cent of the executives believed
double-digit inflation is still a
problem, down from 62 per cent
a year ago. Inflation has been
running at about a 5 to 6-per-
cent annual rate.

The cautious stance the execu-
tives took appeared to be in line
with recent observations on the
pace in capital spending.

Fortune said 44 per cent of the
executives say they are cautious
about running their businesses,
while 25 per cent say they are
taking an aggressive stance. The
magazine said executives were
more cautious this year than last
but did not give 1975 figures.

Such caution has caused con-
siderable consternation recently
among capital goods industries
such as steel. Executives, mind-
ful of the last recession, are often
unwilling to expand factories and
buy new machinery without as-
surance the economy will come
out of its current slump.

Among major companies citing
drops in earnings due to the
capital spending lag have been
top-ranked steelmaker United
States Steel Corp., while such
giant firms as E. I. du Pont de
Nemours & Co. have planned a
slowdown in spending for 1977.

While Fortune said some execu-
tives were worried over a slow-
down next year or in 1978, 67 per
cent felt the United States would
regain and maintain prosperity in
the next "couple of years." In
1976, 42 per cent believed the
economy was on the upswing.

N.Y. Prices Advance In Nervous Trading

NEW YORK, Nov. 1 (UHT).—
New York Stock Exchange
prices moved slightly higher
today as many traders appeared
to put off making fresh invest-
ment decisions ahead of the presi-
dential election tomorrow.

Both candidates have schedul-
ed last minute television appear-
ances tonight in an effort to
capture additional votes that
could spell the difference between
victory and defeat at the polls
tomorrow.

The Dow Jones industrial
average was up 1.16 at 966.09.
Volume totaled 18.39 million
shares, compared with 17 million
on Friday. Advancing issues out-
paced decliners by about 55 to
about 57.

For the most part, brokers said
dealings reflected some late short
covering and nervous trading in
anticipation of the election. All
commodity and stock exchanges
will be closed tomorrow.

Boeing, a standout performer,
rose 1 5/8 to 42 5/8. It predicted
"substantially higher" sales for
the fourth quarter.

General Mills, another bright
spot, gained 1 1/2 to 32 1/4.
But Monsanto fell 1 3/8 to
81 1/2. Du Pont 1 1/4 to 128 and
Eli Lilly 1/8 to 53 7/8.

Analysts said in published re-
ports that some chemical and
pharmaceutical companies were
experiencing price pressures in
some product lines.

Natamex sagged 1 1/2 to 30 1/8.
A company official said there was
an unconfirmed report that an
industry analyst lowered his 1977
earnings forecast for the com-
pany.

General American Oil of Texas,
rose 1/8 to 20 1/8.

**GM Raises Payout
To \$5.55 a Share**

DETROIT, Nov. 1 (Reuters).—
General Motors Corp. said today
its board declared a year-end
dividend of \$3 a share on the
common stock, payable Dec. 10 to
holders of record Nov. 10.

The company said this declara-
tion brings to \$5.55 a share the
amount of dividends paid in 1976,
exceeding the previous \$5.25 a
share paid in 1973 and 1965.

GM did not pay a year-end
dividend last year, but only a 50-
cent-a-share fourth-quarter pay-
ment.

Eurodollar Borrowings
WASHINGTON, Nov. 1 (Reu-
ters).—Liabilities of U.S. banks to
their foreign branches rose \$1.66
billion to \$5.46 billion in the week
ending Oct. 20, the Federal
Reserve Board reported. This was
\$2.23 billion higher than the level
of Eurodollar borrowings in the
week ended Oct. 22, 1975.

Bank to Cut Prime Rate
NEW YORK, Nov. 1 (Reuters).—
Chemical Bank said it will cut
its prime rate to 6 1/2 per cent
from 6 3/4 per cent, effective
Wednesday.

however, climbed 2 1/4 to 50 3/4.
It raised its dividend.

Prices on the American Stock
Exchange pushed higher, with
the Amex index up 0.65 to 52.09.

Sic Pen, which reported higher
earnings, gained 1.4 to 10 7/8.

Wheat futures advanced 3
cents a bushel on the Chicago
Board of Trade, but other major
commodities were irregular at the
close.

Wheat futures traded under
previous closes through most of
the session, then rallied under
new commission house buying
and short covering.

Home Outlays Rise in U.S.

WASHINGTON, Nov. 1 (Reu-
ters).—U.S. construction spending
rose 1 per cent to a seasonally
adjusted annual rate of \$149.4 bil-
lion in September from an up-
ward revised \$148.1 billion in
August, the Commerce Depart-
ment said.

The department originally re-
ported construction spending at
\$148.4 billion in August. In Sep-
tember, 1975, construction spend-
ing was running at an annual
rate of \$136.5 billion.

During the first nine months
of 1976, construction spending
totaled \$106.9 billion, compared
with \$96.4 billion during the same
period in 1975.

The Commerce Department
said spending on private con-
struction rose to \$111.7 billion in
September from \$110.3 billion in
August, with spending on residen-
tial buildings increasing to \$62
billion from \$60.1 billion.

Spending on new housing units
rose to \$48.5 billion in September
from \$46.6 billion in August, with
one-unit spending increasing to
\$41 billion from \$39.4 billion,
while spending on structures with
two or more units also rose slight-
ly to \$7.3 billion from \$7.2 bil-
lion.

However, spending on non-
residential buildings fell to \$25.7
billion in September from \$26.6
billion in August, while public
construction spending was little
changed overall at \$27.6 billion
in September compared with \$27.3
billion in August.

The Commerce Department said
new construction spending in 1967
dollars also showed a 1-per-cent
increase in September at \$73.6
billion at a seasonally adjusted
annual rate, compared with \$73.1
billion in August.

Markets Closed

All markets and banks were
closed Monday in Belgium,
France and Italy for the All
Saints holiday. The holiday con-
tinues through Tuesday in France.
All stocks and commodity ex-
changes and banks throughout
the U.S. are closed Tuesday for
Election Day.

We know your part of the world.

GENEVA
PARIS • SAO PAULO
LONDON • BRUSSELS
NEW YORK • FRANKFURT

(and other financial centers)

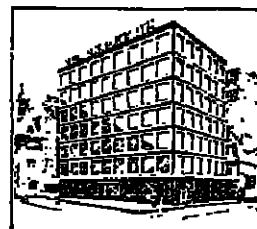
Wherever you do business, Trade Development Bank is at your service with a wide range of international banking facilities. And the kind of priceless expertise you get from people who know your part of the world. Offices or representatives in most principal cities.

Trade Development Bank

Member of the Trade Development Bank Holding.
Assets as of June 30th, 1976: US\$ 2.9 billion.
Total capital funds employed: in excess of US\$ 258 million.

Key Group offices:

Geneva: 2, place du Lac
96-98, rue du Rhône
Paris: 20, place Vendôme
London: 21, Aldermanbury
New York: Republic National Bank,
452 Fifth Avenue



Head offices of Trade Development Bank, Geneva.

ARGENTINE REPUBLIC INTERNAL U.S. BONDS

WESTON GROUP

wakes a market
in all series

Enquiries to:
CURRIC Stockstr. 10,
43711, Tel.: 461333.
6 NEW YORK CITY
600 Fifth Ave.
TCA 224223, T.: 1301350.

مكتبة الأمل

[illegible]

Year	9 Months Net Income (dollars in millions)
73	\$12.0
74	\$17.7
75	\$21.6
76	\$46.9

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>
Net Income (millions)	\$ 12.0	\$ 17.7	\$ 21.6	\$ 46.9
Earnings per Common Share	\$ 0.96	\$ 1.41	\$ 1.71	\$ 3.61
Sales (millions)	\$855.7	\$901.1	\$1,067.1	\$1,150.7

**The
world needs
more of what
Allis-Chalmers
makes.**

Serving the vital areas of food...water...energy...minerals.



هكذا من الأسفل

(Continued on next page.)

NYSE Nationwide Trading (3 O'clock) Nov. 1

1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									
High Low										High Low										High Low									
P/E 100. High Low										P/E 100. High Low										P/E 100. High Low									
1976 - Stocks and Bonds										1976 - Stocks and Bonds										1976 - Stocks and Bonds									

ENEL (THE ITALIAN NATIONAL ELECTRICITY AUTHORITY)

ELECTRICITY SERVICE

NEL (Ente Nazionale per l'Energia Elettrica), the alien national electricity authority, was established pursuant to Law No. 1643 of 6 December 1962. By the end of 1975 more than 8 million new consumers had been connected to the ENEL distribution networks since the beginning of 1963: during that period ENEL met an increase of 147% in demand by direct consumers. At 31 December 1975, therefore, the number of consumers supplied by ENEL amounted to more than 22.7 million and electricity invoiced during 1975 to direct consumers to more than 93 billion kWh. In the performance of its institutional functions ENEL has encountered many and varied, and sometimes extremely serious, difficulties.

or example, the construction of new generating plants has for many years been delayed, if not prevented, by persistent opposition on environmental grounds, which has resulted in a progressive diminution of reserve margins, the availability of which is indispensable for ensuring continuity of service. Despite these circumstances, by means of efficient coordination of production and transmission, ENEL is succeeded in providing coverage of power requirements with a degree of continuity of service no lower than that achieved in the other more industrially-advanced countries.

INVESTMENT

1975 ENEL investment expenditure amounted to 012 billion lire, accounting for 13.3% of total Italian industrial investment. Overall investment by IEL between 1963 and 1975 totalled more than 020 billion lire, of which almost 3,050 billion was for extending and raising the capacity of distribution networks; this latter figure indicated the magnitude of ENEL's commitment to meet the mounting needs of an ever-increasing number of consumers, also in very small and remote villages.

FINANCING REQUIREMENT AND REVENUES

between 1963 and 1975 ENEL had to meet a financing requirement of almost 10,800 billion lire, for new

plant investment, for the settlement of indemnities to enterprises that had been nationalized, for the redemption of loan bonds at maturity, etc.; whereas, until July 1974, electricity tariffs remained frozen at the 1959 levels, while the cost of materials, of money, of labour was rising continuously, often steeply. However, apart from the introduction of a 44% thermal surcharge, in relation to the higher cost of fuel oil (which rose fourfold after the outbreak of the oil crisis), the tariff increase obtained in the summer of 1974 was, on average, only 22%, while already by end-1973 wholesale prices had risen by 85% since 1959. And the past two years have seen a further escalation of the cost of goods and services, accompanied by considerable increases in labour costs, attributable principally to the increments based on the mounting cost-of-living index factors which have obviously resulted in a further deterioration of the disequilibrium between ENEL's operating costs and revenues.

The causes underlying the present situation range beyond the now general awareness that the context in which ENEL is managed is heavily conditioned by factors and situations extraneous to routine operating factors and situations that are, in turn, significantly influenced by the evolution of the Italian economy. From the viewpoint of financial results, the situation has been aggravated by the fact that the ENEL establishing legislation made no provision for an endowment fund or for easing of the borrowing burden for the payment of indemnities to the nationalized enterprises: the French and British undertakings, which over the years have obtained substantial tariff increases, enjoyed both these facilities; but, in ENEL's case, the amount of indemnity payable was larger and the terms and conditions of payment much more severe. It was only in 1973 that ENEL was granted an endowment fund, and then only in the amount of 250 billion lire, to be disbursed in five annual installments of 50 billion. At end-April 1976 the endowment fund was increased by 2,000 billion lire (disbursable over the period 1976-1980), in the context of the provisions of the National Energy Pro-

programme approved by CIPE (Interministerial Committee for Economic Planning) at end-1975.

As a consequence of the factors outlined above, the ENEL Accounts for financial year 1975 closed with a loss of approximately 542 billion lire, after provision for a depreciation appropriation amounting to 343 billion lire.

OPERATING COST ECONOMIES AND HIGHER PRODUCTIVITY

ENEL has at all times devoted maximum effort to achieve all the economies enabled by the scale of operations and by the unification of management and has pursued the technical and economic rationalization of all its activities, with the object of raising productivity and of reducing operating costs, compatible with a high standard of reliability and quality of service.

The principal related measures include:

- ❑ Coordination, at national level, of the operation of generating plants and centralized management of the primary transmission system (technical-economic dispatching).
- ❑ Installation of standardized large-capacity thermal power units, at lower unit capital costs, with a high degree of efficiency.
- ❑ Containment of the financial requirement for investment, at parity of capacity demanded by consumers, with the development of pumped-storage plants, for which the unit capital cost is roughly half that of nuclear plants.
- ❑ Extensive automation and remote-control of generating plants and sub-stations.
- ❑ Widespread utilization of computerized systems for management, planning and plant-design activities.

The more significant results obtained from these measures are:

- Reduction of the financing requirement, by more than 1,000 billion lire, for pumped-storage plants already completed or under construction.

- Reduction by 10% of the specific consumption of conventional fuels, with a saving of approximately 150 billion lire in 1974 and 1975 alone.

- Reduction by 29% of the mean power path on the primary transmission system.

- ☐ Reduction by 20% of transmission and distribution losses.

- Higher productivity: expressed in terms of generating plant capacity per employee (excluding per-

- sonnel of former contract service firms), productivity rose from 174 kW prior to nationalization of the electricity industry to approximately 330 kW at end-1975.

PLANT INVESTMENT PROGRAMMES

ENEL's executive programme for the construction of new generating plant covers the period up to and including 1983. The programme, already at an advanced stage of development, consists as follows:

Type of plant	GROSS MAXIMUM CAPACITY (MW)
Hydroelectric	5,227
Geothermal	15
Conventional thermal	14,415
Nuclear	5,850
Total	25,507

Taking also into account investment in new generating plant that will be planned, and for which construction will commence, in the next few years and which will be commissioned after 1983, as well as investment for development of the transmission system and distribution networks, ENEL investment for the period 1976-1980 inclusive is estimated at more than 11,000 billion lire.

Presented by ENEL

The Italian National Electricity Authority. For further information contact: ENEL, Ufficio Stampa e Relazioni Pubbliche, via G. B. Martini 3, Roma, Italy.

Ask for Europe's only international daily newspaper on your next flight.

International Herald Tribune

Ask for it every day. Everywhere you go.

PEOPLE: *Ruth Gordon at 80—Voices at the Colonial*

[illegible]